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United States & Canada

Shultz Says 'A Little Bit of Headway' Gained

OW310743 Beijing XINHUA in English 0630 GMT
31 Oct 87

[Text] Washington, October 30 (XINHUA)—U.S. Secretary of State George Shultz said today that there has been "a little bit of headway" in the superpower talks on limiting space-based weapons.

At a press conference after concluding his talks with Soviet Foreign Minister Eduard Shevardnadze, Shultz said the United States and the Soviet Union still differ on the length of time during which there would be agreed non-withdrawal from the 1972 Anti-Ballistic Missile (ABM) Treaty which bans development, testing and deployment of space-based weapons.

The United States wants a period ending in 1994 while the Soviet Union wants a 10-year non-withdrawal period.

But, he said, the Soviets have now introduced "a different way" of describing space defense, "namely, what we are talking about is 'strategic stability' and how we maintain strategic stability."

"That has a certain resonance with us, because it fits our thinking," he said.

He noted that that means the two sides are "increasingly serious about finding ways to meet each other's problems."

Asked whether the Soviets are no longer trying to link strategic arms reductions with the U.S. Strategic Defense Initiative (also known as SDI or "star wars"), Shultz replied: "No, they haven't said that. They continue to talk about these subjects as linked," he said.

The United States also insists on proceeding with the SDI program, he told reporters. "The President has made clear again and again ... that he won't agree, nor will any of his advisers advise him to agree to something that would cripple the SDI program," he said.

However, he said, despite the differences, both sides agreed to work hard toward early achievement of an agreement on reducing strategic arms by 50 percent, so that a treaty can be signed when President Ronald Reagan visits Moscow in 1988.

"There seems to be a sense that ... although we haven't reached agreement by any means, if we work at it hard, we can keep moving the ball forward in the strategic arms area," he said.

While an agreement on strategic weapons is still far away, the secretary told reporters that a treaty on intermediate-range missiles could be completed before the next summit meeting between Reagan and Soviet leader Mikhail Gorbachev.

A joint U.S.-Soviet statement announced earlier this afternoon that Gorbachev will visit the United States beginning December 7 and Reagan will travel to Moscow in the first half of 1988.

Canadian Parliamentary Delegation Visits

OW040030 Beijing XINHUA in English 1440 GMT
24 Oct 87

[Text] Beijing, October 24 (XINHUA)—Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, met with a delegation from the Canadian Parliament and gave a dinner in its honor here today.

Leader of the delegation is Hon. Orville H. Phillips, whip of the Progressive Conservative Party of the Canadian Senate.

Soviet Union

October Revolution Anniversary Marked

OW041118 Beijing XINHUA in English 1049 GMT
4 Nov 87

[Text] Beijing, November 4 (XINHUA)—The 70th anniversary of the October Revolution was marked in Beijing this afternoon at a 300-people-strong meeting sponsored by the China Society of Soviet and East European Studies.

Yu Guangyuan, Li Huichuan, Ge Baoquan, advisors to the China Society of Soviet and East European Studies; leading members of the Chinese People's Association for Friendship with Foreign Countries, the Sino-Soviet Friendship Association and the Chinese Academy of Social Sciences; along with representatives from social science circles and universities and colleges attended the meeting.

Soviet Ambassador to China O.A. Troyanovskiy was also present.

A message from Wu Xiuquan, president of the Sino-Soviet Friendship Association and president of the China Society of Soviet and East European Studies, was read at the meeting.

On behalf of the Chinese people, Wu extended warm congratulations to the Soviet people.

"The October Revolution was a great, world-shaking event of this century," Wu said, adding the radiance of the October Revolution will always shine, and the Chinese people cherish cordial sentiments concerning the event.

"The historical development of socialism since the October Revolution has proved that the seizure of state power by the proletariat is only the first step on a long march," Wu pointed out, "and to build socialism and bring superiority of the socialist system into full play is a more arduous and complicated task."

Wu wished the Soviet people new successes in their socialist construction and reforms, and also hoped for the further expansion of the traditional friendship between the Chinese and Soviet peoples.

Speaking at the meeting, the Soviet ambassador talked about the significance of the October Revolution and the characteristics of current Soviet reforms.

"China has already opened a path for bringing the superiority of the socialist system into full play, by accelerating the country's modernization drive and making democracy more prominent in social life," the ambassador said, adding that the Soviet Union is willing to expand political discussion, strengthen economic contacts and enhance mutual understanding in various fields with China.

Xu Kui, vice-president of the China Society of Soviet and East European studies and director of the Institute of Soviet and East European Studies under the Chinese Academy of Social Sciences, also spoke at the meeting.

The meeting was followed by the screening of a Soviet feature film.

Friendship Delegation Leaves for Moscow

OW051102 Beijing XINHUA in English 1035 GMT
5 Nov 87

[Text] Beijing, November 5 (XINHUA)—A delegation from the Sino-Soviet Friendship Association led by Zhang Wenjin, president of the Chinese People's Association for Friendship with Foreign Countries, left here this afternoon for Moscow to attend celebrations of the 70th anniversary of the Russian October Socialist Revolution.

Gorbachev To Work for Ban on Space Weapons

OW030618 Beijing XINHUA in English 0355 GMT
3 Nov 87

[Text] Moscow, November 2 (XINHUA)—Soviet leader Mikhail Gorbachev said Monday that he will work for a ban on space weapons and for cuts in long-range strategic nuclear arsenals at the coming summits with U.S. President Ronald Reagan.

In a speech to a Kremlin rally marking the 70th anniversary of the 1917 communist revolution, he declared: "The world expects more from our third and fourth summits than simply the confirmation of what we had agreed to do a year ago."

This remark was seen as a clear signal that the Soviet leader will push hard for limits on Reagan's "star wars" program when they meet in Washington next month.

He said the pact eliminating medium- and shorter-range missiles on a global basis to be signed at the December summit would be "a tangible step" along the road to real reductions in strategic weapons, but he warned that he still opposed the U.S. Strategic Defense Initiative, or "star wars" program.

During last year's summit in Reykjavik, Iceland, Gorbachev and Reagan agreed to work toward a 50-percent reduction in strategic weapons, the backbone of their nuclear arsenals.

Last Friday, the two powers announced that Gorbachev and Reagan would meet in Washington December 7 to sign a treaty on destroying their medium- and shorter-range missiles and discuss the next steps toward disarmament.

Barring weapons from outer space still remains the key to removing the nuclear threat, Gorbachev said, indicating Moscow still links cuts in strategic weapons with U.S. concessions on "star wars".

"Star wars" has been pinpointed by Moscow for the past two years as the main barrier to an agreement on cutting the two countries' arsenals of long-range strategic weapons, but Washington has resolutely declined to consider Moscow's views.

Gorbachev said, "in this critical period, the world expects a third and a fourth Soviet-U.S. summit to produce more than merely an official acknowledgement of the decisions agreed upon a year ago and more than merely a continuation of the discussions."

Gorbachev Delivers Report Marking Revolution

Remarks on Historical Figures

HK041543 Beijing XINHUA Hong Kong Service
in Chinese 1336 GMT 2 Nov 87

[Report: "Gorbachev Reappraises Some Important Figures in Soviet History"—"For Provincial and City Press Only"]

[Text] Moscow, 2 Nov (XINHUA)—In his report delivered at a meeting here today, Soviet leader Gorbachev reappraised some important figures in the Soviet history.

This meeting was held in the Great Hall of the Kremlin to mark the 70th anniversary of the Great October Socialist Revolution.

In recent years, some important figures in Soviet history were time and again mentioned by Soviet academic circles and press when reviewing the Soviet history. Because opinions and appraisals varied, there were many disputes.

In his report today Gorbachev pointed out: After Lenin's death, Trotsky attempted to become the leader of the party. Trotsky and Trotskyites denied the possibility of building socialism in a country which was encircled by capitalism. Trotskyites, which was a political faction under the cover of leftist and sham revolutionary phrases, launched an overall attack on Leninism. As Trotskyites colluded with the "New Opposition" headed by Zinoviev and Kamenev, the situation became more complicated. The party's leading nucleus headed by Stalin safeguarded Leninism in this struggle, and Bukharin, Dzerzhinsky, Kirov, and Ordzhonikidze also played an important role in this struggle.

On Bukharin, Gorbachev also said: The domestic and international conditions at that time made speeding up socialist construction an urgent task, but Bukharin and his supporters underrated the practical significance of the time factor in building socialism in the 1930s. However, they quickly admitted their mistake. Gorbachev quoted Lenin's opinion of Bukharin: "Bukharin is not only a most valuable and principal theorist of the party; he should also be considered as the favorite of the whole party. But it is open to doubt that his theoretical views should be considered as fully Marxist."

Gorbachev fully affirmed the accomplishments and significance of the Soviet Union in realizing national industrialization in the 1930s under Stalin's leadership. Regarding the agricultural collectivization at that time, he said, on the whole it was a turning point of principled significance; however, on the issue of rural transformation, Stalin deviated from Leninist policy, and realized collectivization in the methods of administrative command.

In succession, Gorbachev talked about the errors of the Soviet Union in enlarging the purges of counterrevolutionaries, and Stalin's role in the Soviet history. He believed Stalin was "a personality of extreme contradiction;" "if we are to remain on positions of historical truth, we must see both Stalin's unquestionable contribution to the strife for socialism in defense of its gains and his gross political mistakes, and the arbitrariness permitted by him and those who were close to him." "Stalin and his immediate entourage were guilty of enormous and unforgivable crimes against the party and people for their large-scale prosecution and lawless actions."

According to him, after the 20th CPSU National Congress, thousands of the innocent had been rehabilitated. However, the process stopped in the mid-1960s. Now,

the central Politburo has set up an ad hoc commission to make a study of already known facts. It will make a resolution on the work results.

When talking about the period when Nikita Khrushchev was in power, Gorbachev pointed out: "It took the party and its leadership headed by Nikita Khrushchev much courage to criticize the personality cult and its consequences." And during this period, attempts were made to do away with stereotypes in domestic and foreign policies and impart greater dynamism to socialism. However, at the same time, a lot of subjectivist errors were also committed by the party and its leadership.

Gorbachev said that the reform carried out in 1965 changed the situation in the country for the better. It increased the economic potential of the country, improved the people's living standard, and helped to maintain the military and strategic balance between the United States and the Soviet Union. However, in the latter years of the life and activities of Leonid Brezhnev, the search for further advancement had been largely hampered by an addiction to habitual formulas and schemes which did not reflect the new realities. As a result, development of the Soviet Union soon slowed down.

Discusses Reform

OW021901 Beijing XINHUA in English 1848 GMT
2 Nov 87

[Text] Moscow, November 2 (XINHUA)—Soviet leader Mikhail Gorbachev said today that the next two or three years will be complicated and crucial to the Soviet Union's reform.

Addressing a celebration in the Kremlin marking the 70th anniversary of the October Revolution, Gorbachev said the difficulties will emerge as the comprehensive reform affects "the interests of ever greater masses of people, social groups and strata and of all cadres."

"We will have to simultaneously tackle large [words indistinct] economy, in the social sphere, in the reorganization of government and public administration, in ideology and culture," he added.

It would be a mistake to take no notice of a certain increase in the resistance of conservative forces that see the reform simply as a threat to their selfish interests and objectives. This resistance can be felt not only at management level but also in work collective, he added.

"Nor can one really doubt that the conservative forces will seize upon any difficulty in a bid to discredit the reform and provoke dissatisfaction among the people," Gorbachev said.

Naturally, he said, these people never say they oppose the reform, "rather, they would have us believe that they're fighting against its negative side-effects, that they are guardians of the ideological principles."

Thus, the 57-year old leader said "the next two or three years will be particularly complicated, decisive and, in a sense, critical."

Gorbachev, who became general secretary of the Soviet Communist Party in March 1985, has seen resistance and difficulties to his reform policies. It is said there were sharp differences about the process of reform even in the Plenum of the Party Central Committee on October 21.

The leader noted that some cities, districts and regions, and even some republics have not yet earnestly undertaken reform. This is a direct result of political and organizational inertia and lack of initiative displayed by party committee and their leaders, he added.

In his speech to the 5,800 people on hand, which was broadcast live by Soviet television and radio, Gorbachev also said "nor should we succumb to the pressure of the overly zealous and impatient." "It should be clear that one cannot leap over essential stages and try to accomplish everything at one go," Gorbachev said.

In his report, Gorbachev also said that despite the unfavorable weather in most regions of the country, the Soviet Union has harvested more than 210 million tons of grain this year. But, this figure was still sharply lower than the planned target of 232 million tons for 1987.

Expert Reviews Reform in Soviet Union

HK050807 Beijing CHINA DAILY in English 5 Nov 87
p 4

[By Wang Gangyi]

[Text] The momentum of the Soviet reform, which Mikhail Gorbachev refers to as "a revolution without shots," is unlikely to be reversed, thought its outcome is yet to be seen, according to a Chinese expert on Soviet affairs.

Yu Sui, a part-time senior research fellow at the Centre for International Studies under the State Council, told *China Daily* in a recent interview that serious problems in the Soviet Union are posing a potential threat to the country's reform, which, as the Soviet leader has put it, is in the most "arduous pivotal stage."

But there are some favourable factors, including the stimuli and the scale of the Soviet reform, the determination of the Soviet leadership, and the authority which the Soviet Communist Party enjoys among the people, he said.

Yu pointed out that a stagnant domestic economy, the development of new technology in the world, and economic reforms in other socialist countries are the most challenging factors that have prompted the Soviet Union on to the road of reform.

Undeniably, there remain many obstacles that might block the reorganization of the Soviet economy, the Chinese expert said.

Soviet citizens who are raised on assurances of cradle-to-grave security, a guaranteed job, a protected income and huge government subsidies for food, housing and other daily necessities, have long nurtured a psychological inertia. They prefer stability to change and are generally skeptical about the reform, uncertain how it will affect their daily lives.

Among bureaucrats, whose minds have been dominated by old dogmatic political and economic theories, there is little enthusiasm. They tend to stick to the old management systems rather than risk their vested interests by taking any initiative of their own.

At the same time it is extremely difficult for the Soviet leadership to implement some of its policies, especially those concerning price reform.

Another important fact, according to Yu, is that the Soviet Union, as a superpower, has to compete with the United States for its international and regional interests. This will certainly put additional strain on its structural reform, he added.

However, he said while recognizing all these problems, there exists the probability that the Soviet Union will attain its goals.

"Judging from the general reform plan revealed at a plenary session of the Soviet Communist Party Central Committee last June, the current reform is the most comprehensive ever experienced in the history of the Soviet Union," Yu pointed out.

Since the emphasis of the reform during the past two years has been laid on policy-making and opinion mobilization, the pace of the reform could not be said to be slow, as claimed by some analysts, he added.

Moreover, the Soviet leadership seems to have adopted a prudent and systematic approach towards the reform and special attention is being attached to increasing agricultural products and consumer goods so as to ensure that the reform brings instantaneous material benefits to ordinary people, who will, in return, offer their blessing to the reform, the research fellow said.

The fact that the Soviet leadership has readily admitted the country's difficulties and has made a thorough analysis of them is, in itself, an indication that it has the courage to overcome them.

Over the past seven decades, the Soviet Union has laid a solid economic foundation, with a complete industrial establishment, a manageable agriculture and a strong science and technology research network.

The Communist Party, especially Gorbachev who has masterminded the reform, enjoys prestige among the Soviet populace. An increasing number of administrative officials, who have undergone professional training in management, science and technology, have sided with the reform and the Soviet Union will certainly draw badly-needed experience from economic reforms, in other socialist countries, he said.

Yu concluded that, in general, the Soviet leadership has demonstrated unprecedented determination in pursuing the reform, though it faces huge difficulties. So far, there have been more policy measures than concrete results. But the trend of the reform is unlikely to turn around though the outcome remains to be seen.

Pluralism 'Important Feature' of Reform
*OW311602 Beijing XINHUA in English 1538 GMT
31 Oct 87*

[Text] Moscow, October 31 (XINHUA)—Soviet Professor Fyodor Burlatskiy said here today that the development of socialist pluralism is one of the most important features in the Soviet Union's current economic and social reform, particularly in democratization and public openness.

Burlatskiy, who is also vice president of the Soviet Association of Political Sciences, told a press conference that "we were afraid of that word not so long ago, it seemed to us that it had an exclusive bourgeois touch. But development of pluralism in our country is now a real fact."

He said public openness itself — the clash of opposite opinions on acute questions of the country's life — and its development in the future and appraisal of the past is a manifestation of pluralism

Socialist pluralism also manifests itself in the economic field, Burlatskiy said.

He explained that socialist pluralism in the Soviet economy is the development of the cooperative movement, individual labor activity and the major reform which will be carried out as of next year.

"Socialist competition, competitiveness are becoming a real factor in forming a planned market economy," he said.

There is also cultural pluralism, the professor said. There are different opinions, proposals linked with the process of the current reform of the system of education, development of science, and artistic creativity, he added.

Asked why he calls pluralism in the Soviet Union "socialist pluralism," Burlatskiy said it differs from bourgeois pluralism. He stressed that pluralism in the Soviet Union is "on the socialist soil" and under the leadership of the "single party," the Communist Party of the Soviet Union.

Near East & South Asia

Concern for Kidnap Victims in Iraq Shown
*HK051228 Hong Kong AFP in English 1223 GMT
5 Nov 87*

[Text] Beijing, Nov 5 (AFP)—China is very concerned about the safety of six Chinese nationals kidnapped by pro-Iranian Kurdish nationalists in northern Iraq, a Chinese Government spokesman here said Thursday.

"We are very concerned about their safety and hope they will be released promptly," said a Chinese Government spokesman over the telephone.

She declined to comment on what measures had been taken to obtain the release of the Chinese detainees, who were kidnapped by the pro-Iranian Kurd Nationalist Organisation, the Patriotic Union of Kurdistan (PUK).

The group, which claims it captured four Chinese on October 7 and two more on Sunday in the "liberated territories" of northern Iraq, has called on Beijing to negotiate their release.

The Chinese detainees—one student and five engineers with a Chinese company—are "suspected of supplying information to Iraqi authorities," said a PUK spokesman in Damascus.

PUK spokesmen have said they are prepared to negotiate the release of the Chinese hostages with "representatives of the Chinese Government which must cease its deliveries of arms and supply of experts aiding Iraq."

China has repeatedly denied selling weapons to either Iran or Iraq, saying it maintains a position of strict neutrality in the Gulf war and that Chinese Silkworm missiles present there were obtained through a third party.

Sub-Saharan Africa

Mozambique Prime Minister Machungo Visits

Arrival

*OW020129 Beijing XINHUA in English 1059 GMT
2 Nov 87*

[Text] Beijing, November 2 (XINHUA)—Mozambican Prime Minister Mario Fernandes da Graca Machungo and his wife arrived here by plane this afternoon on a five-day official visit to China at the invitation of the Chinese Government.

Greeting the distinguished Mozambican guests at the airport was Qi Yuanjing, chairman of the Chinese Government Reception Committee and minister of metallurgical industry.

Chinese Premier Zhao Ziyang is scheduled to preside over an official welcoming ceremony for Prime Minister Machungo and his party tomorrow.

Received by Li Xiannian

OW041113 Beijing XINHUA in English 1034 GMT
4 Nov 87

[Text] Beijing, November 4 (XINHUA)—The 13th National Congress of the Chinese Communist Party was a big success, Chinese President Li Xiannian said during a meeting with Mozambican Prime Minister Mario Fernandes da Graca Machungo this afternoon.

Machungo extended warm congratulations on the party congress which concluded last Sunday.

Li welcomed Machungo by saying he is the first head of a foreign government to visit China after the close of the party congress, and mentioned his many old friends in Mozambique, including the prime minister.

Machungo said, "these old friends cherish profound feelings for China."

Referring to the situation in southern Africa, Machungo said, although Mozambique and South Africa have signed the Nkomati Accord, the South African authorities do not abide by it.

Machungo described South Africa's apartheid policy as the root cause of unrest in the region.

Li said, "the area is a hot-spot, and China understands very well and sympathizes with the unfavorable situation of Mozambique and other frontline countries in southern Africa, and is also very concerned about the region's peace and stability."

Li also briefed Machungo on China's domestic situation and experiences in national construction.

Machungo said, China's past experiences and current reform and opening policy can serve as reference for Mozambique.

Earlier today, Machungo and his wife visited the Beijing No 1 Leather Shoe Factory.

Wu Xueqian Meets Ethiopian Foreign Minister

OW041335 Beijing XINHUA in English 1310 GMT
4 Nov 87

[Text] Beijing, November 4 (XINHUA)—Chinese State Councillor and Foreign Minister Wu Xueqian held talks with Ethiopian Minister of Foreign Affairs Baye Berhanu at the Diaoyutai State Guesthouse here this afternoon.

Wu said that recent years have witnessed a smooth development of Sino-Ethiopian relations and a growth in the exchanges between the two countries.

"We are very satisfied with this," Wu added.

Wu reiterated that China supports the African people in their movement for national liberation and opposes the racist policy pursued by the South African authorities.

He noted that China holds that the developed countries should help the developing countries, especially those in Africa faced with arduous economic difficulties, with their development.

The Chinese foreign minister also briefed the guests on the recently-concluded 13th National Congress of the Chinese Communist Party.

The Ethiopian foreign minister expressed his satisfaction with the present bilateral friendly ties. He explained to his Chinese host the formulation of a new Ethiopian Constitution and the recent founding of the People's Democratic Republic of Ethiopia.

The two foreign ministers expressed their willingness to further Sino-Ethiopian relations.

Haile W. Michael, minister of the Ethiopian State Council, who is accompanying Baye Berhanu here, and Ethiopian Ambassador to China Philippos Wolde-Mariam were present on the occasion.

Later, Wu Xueqian hosted a banquet in honor of the Ethiopian guests.

They arrived here today at Wu's invitation and are scheduled to visit Guangzhou and Shenzhen.

West Europe

Zhao Calls for More Cooperation With UK

OW240020 Beijing XINHUA Domestic Service in Chinese 1507 GMT 23 Oct 87

[Text] Beijing, October 23 (XINHUA)—China hopes Sino-British cooperative efforts in trade and economy will expand and the proportion of investment in China from Western Europe will go up.

Chinese Premier Zhao Ziyang made these remarks at a meeting with Lord Young of Graffham, the British secretary of state for trade and industry.

Zhao expressed appreciation for the active stance of Britain's Prime Minister Margaret Thatcher and the British Government by saying, "soft and free loans provided to China by the British Government are playing a key role in developing Sino-British economic relations."

Zhao also said recent years have witnessed great strides in Sino-British trade, and this is thanks to Lord Young's efforts.

"There is great potential in Sino-British trade," Zhao said, "and expand bilateral trade needs efforts from both sides, so I hope you will try to create a suitable environment for more Chinese goods to infiltrate the British market."

Zhao also praised Britain's open attitude toward China in the area of technological transfer, and hopes Britain will be even more open in this respect.

Zhao said China welcomes more British entrepreneurs to invest in China and set up solely British-run and joint venture enterprises, and mentioned China will continue to improve its investment environment, as it has been over the past few years.

Lord Young said both sides have good intentions for working together, and both British and Chinese companies are making efforts to promote this cooperation. At the Sino-British economic and trade cooperation talks held in Tianjin, both sides have already concluded 21 agreements.

He also said British companies are willing to negotiate rights to provide China with technology.

Li Xiannian Prepares for Europe Visit

To Step Down 'Soon'

HK051148 Hong Kong ZHONGGUO XINWEN SHE
in Chinese 0625 GMT 5 Nov 87

[Text] Beijing, 5 Nov (ZHONGGUO XINWEN SHE)—Before leaving Beijing on a state visit to four West European countries, Chinese President Li Xiannian told reporters that he will soon become an ordinary citizen in China.

Li Xiannian made the above remark when answering a Japanese reporter's question at the airport. However, Li added that the exact time for him to become an ordinary citizen in China cannot be disclosed at the moment.

This morning, Li Xiannian left Beijing on a state visit to France, Italy, Luxembourg, and Belgium. Before his departure, Li Xiannian held a 10-minute press conference at the airport.

A correspondent for a French television station asked: As the first Chinese president to visit France, what do you hope to achieve from your visit to France? How will Sino-French relations develop in the future?

Li Xiannian replied: China and France have had very friendly relations. Francois Mitterrand is an old friend of mine. I really hope that I will be able to take the Chinese people's friendship to France.

A correspondent from ANSA, the Italian news agency, asked: President Li, will you and your two companions, Qiao Shi and Zhou Nan, meet the leaders of the French and Italian communist parties during your visits to France and Italy?

Li Xiannian said: "We have relations with the French Communist Party and the Italian Communist Party. So, if they ask to see us, it would be impolite for us not to meet them. It is all right for me not to meet them. However, as you know, Qiao Shi is one of the principal leaders of the CPC Central Committee. He might attract more attention than me. If we insist on not meeting them, we will certainly be considered to be practising great-nation chauvinism."

A UPI correspondent asked why the recently held 13th National Party Congress still believed that China's senior leader Deng Xiaoping should remain chairman of the Central Military Commission.

Li Xiannian replied: This is because the party, the government, and the people still need him.

After the press conference, President Li Xiannian was seen off at the airport by Chinese Vice President Ulanhu, Wu Xueqian, Wang Hanbin, and so on.

To Exchange Views

OW050742 Beijing XINHUA in English 0641 GMT
5 Nov 87

[Excerpts] Beijing, November 5 (XINHUA)—Chinese President Li Xiannian and his wife Lin Jiamei left here this morning by special plane on a state visit to France, Italy, Luxembourg and Belgium.

Accompanying Li on the visit were Vice-Premier Qiao Shi, vice-minister of foreign affairs Zhou Nan and vice-minister of foreign economic relations and trade Zhang Haoru.

Speaking to the press at the airport, Li said that China enjoys very good relations with the four European countries.

"I am looking forward to exchanging views with leaders of the four European countries on international issues of common concern and on furthering bilateral relations between China and the four countries," Li added.

The Chinese president noted that he will have extensive contacts with people from all walks of life in the four countries for a better understanding of the achievements in various fields of these countries.

"My visit is aimed at enhancing mutual understanding and strengthening friendly cooperation in a bid to safeguard world peace through joint efforts," Li said. [passage omitted repeating answer to ANSA reporter's question]

Li is paying the visit as guest of French President Francois Mitterrand, Italian President Francesco Cossiga, Luxembourg Grand Duke Jean and Belgian King Baudouin I.

Seeing him off at the airport were Ulanhu, Chinese vice-president, Wu Xueqian, state councillor and foreign minister, and Wang hanbin, secretary-general of the National People's Congress Standing Committee.

Also present at the airport to see the Chinese president off were diplomatic Li and his party will have a stop-over at Urumqi, capital of the Xinjiang Uygur Autonomous Region, northwest China.

Deng Yingchao Meets Austrian Delegation
OW031541 Beijing XINHUA in English 1453 GMT
3 Nov 87

[Text] Beijing, November 3 (XINHUA)—Deng Yingchao, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met with a delegation from the Austrian Federal Council led by its President Helga Hieden-Sommer here today.

Deng said that both China and Austria are willing to develop friendly ties and work to safeguard the world peace."

"Your visit will help enhance the understanding and friendship between the two countries and the two peoples," she added.

Helga Hieden-Sommer said that Sino-Austrian relations are very good and both sides should learn from each other and contribute to world peace.

After the meeting, Vice-Chairman of the CPPCC National Committee Yang Jingren presided over a banquet in honor of the Austrian guests.

Austrian Ambassador to China Paul Ullmann was among those present on both occasions.

Earlier today, Yang and Lei Jieqiong, also vice-chairman of the CPPCC National Committee, held talks with the delegation.

The delegation arrived here yesterday as guests of the CPPCC National Committee and is scheduled to travel to Shanghai, Suzhou, Guilin and Guangzhou.

Satellite Contract Signed With Norway
HK050803 Beijing CHINA DAILY in English 5 Nov 87
p 2

[By staff reporter]

[Text] An agreement to establish China's first ground maritime satellite station was signed between China and Norway yesterday in Beijing.

Under the agreement, concluded yesterday between the China National Instruments Import and Export Corporation and EB Nera of Norway, China will import complete equipment with a total value of more than \$8 million from Norway.

Located in a northern suburb of Beijing, the station will be the 13th in the world. It is expected to start operation by the end of next year, an official of the Ministry of Communications told *China Daily*.

Using satellites above the Indian and Pacific Oceans, the ground station will relay communications between domestic and foreign ships at sea and their headquarters. It will also convey rescue signals and messages in offshore oil exploration.

Chinese ships at sea now communicate with their headquarters via maritime satellite stations in Japan and Singapore.

Minister Signs Juridical Accord With FRG
OW032335 Beijing XINHUA in English 1027 GMT
22 Oct 87

[Text] Beijing, October (XINHUA)—Chinese Minister of Justice Zou Yu and Federal Minister of Justice Hans A. Engelhard signed an agreement on juridical exchange here today.

According to the agreement, the exchange aims at promoting the mutual understanding of each other country's legal system.

The agreement said the program includes the exchange of legal personnel, holding seminars on the relevant legal regulations of both countries, trade and economic laws and regulations in particular, and information and data concerning the existing regulations and important court decisions of the two countries.

The two justice ministers also signed a protocol for the implementation of the above-mentioned agreement.

Present at the signing ceremony were Chinese Vice-Minister of Justice Cai Cheng and FRG Ambassador to China Hans Peter Hellbeck.

East Europe

Yugoslav Official Praises PRC Reform

OW040815 Beijing XINHUA Domestic Service
in Chinese 0703 GMT 23 Oct 87

[By reporters Xu Kunming and Xia Shihua]

[Excerpts] Belgrade, 22 Oct (XINHUA) — Sukoivic, chairman of the Foreign Policy Committee of the Federal Chamber of the Yugoslav Federal Assembly, holds that the ongoing structural reform in China is of great historical significance not only to China but also to all socialist countries. This is because the reform has renewed and strengthened people's conviction in socialism.

Sukoivic made these remarks during an interview with Xinhua reporters in the Federal Building yesterday. A Yugoslav delegation he led made a week-long goodwill visit to China in early October. [passage omitted]

On his visits to China, Sukoivic said: I have visited China five times. My understanding of China further increased with each visit. The recent visit was of even greater significance, because I have not only seen the great progress made by China in social and economic development, but also known comprehensively the magnitude, depth and far-reaching significance of China's structural reform. [passage omitted]

Sukoivic has done a great deal of study on the question of structural reform in socialist countries. He said: The existing structure in socialist countries played a positive role in promoting socialist construction in the early years. However, the structure no longer suits the new circumstances today and has become an obstacle to socialist development. For this reason, the structural reform in socialist countries is imperative under the circumstances. [passage omitted]

Sukoivic spoke highly of China's policy of opening to the outside world. [passage omitted]

Central Discipline Commission Work Report

OW041521 Beijing XINHUA Domestic Service
in Chinese 0151 GMT 4 Nov 87

["Work Report of the Central Discipline Inspection Commission to the 13th CPC National Congress"—dated 30 Oct 1987]

[Text] Beijing, 4 Nov (XINHUA) — This Central Discipline Inspection Commission was elected at the 12th CPC National Congress. The following report on the work in the past 5 years is submitted to the 13th CPC National Congress for deliberation.

The 3d Plenary Session of the 11th CPC Central Committee reaffirmed the Marxist ideological, political and organizational line, corrected the errors of the "Great Cultural Revolution," and switched the work emphasis of the party and the state to socialist modernization. Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has restored normal order in political life and work, systematically straightened out the "left" ideas, redressed many cases involving unjust, false and wrong charges, consolidated leading bodies at all levels, and reinstated many outstanding backbone cadres of the party, thereby basically eliminating the remnant political forces of the "gang of four" and achieving ideological and political unity for the party. The faces of the party and the state have undergone tremendous changes, thereby creating a good political environment for us to do a good job in discipline inspection. Meanwhile, we are still faced with arduous tasks. Due to the fact that for a long time many comrades lacked a correct understanding of the ideological problems that might occur among party members when our party is the ruling party, and due to the sabotage by the "gang of four" as well as the corrosion by the decadent capitalist ideas and the remnant feudalistic ideas, the problem of impurity in ideology, organization and work style within the party is rather acute. The spread of unhealthy practices within the party has seriously damaged the relationship between the party and the masses, and weakened the party organizations' combat effectiveness. In light of the basic situation mentioned above, Comrade Chen Yun said that "the (begin dots for emphasis) fundamental (end dots for emphasis) [as received] task of the party's Central Discipline Inspection Commission is to defend the party's regulations and decrees and rectify party style," and that "the question of the ruling party's style is a matter of life and death for the party." The Central Discipline Inspection Commission formulated the guiding principles for its work which is centered on correcting party style, and struggled against all erroneous activities in violation of the party's programs and principles.

After the 3d Plenary Session of the 11th CPC Central Committee, the newly reinstated discipline inspection organs of the party followed the unified arrangements of the party Central Committee, and concentrated their efforts on restoring order from chaos and correcting

party style. In order to correct the questions of right and wrong within the party confounded during the "Great Cultural Revolution," the Central Discipline Inspection Commission and discipline inspection commissions at all levels devoted much effort to investigating the cases of the Lin Biao and Jiang Qing counterrevolutionary cliques as well as personnel implicated in these cases. They also investigated the serious crimes of Kang Sheng and Xie Fuzhi and, with the central authorities' approval, adopted the decision of expelling them from the party. At the same time, they reexamined the cases of Comrades Liu Shaoqi, Pan Hannian, Qu Qiubai and others, and, with the central authorities' approval, adopted the decision to redress them and straighten out the questions of right and wrong. In order to eliminate the confusion created in the party's organization, ideology and work style during the "Great Cultural Revolution," the Central Discipline Inspection Commission and the Central Organization Department jointly drafted "Guiding Principles for Inner-Party Political Life," and in line with these principles, strictly handled cases of serious damage to the party style and violation of party discipline. After the central authorities issued an emergency circular on striking at serious economic crimes in the spring of 1982, the Central Discipline Inspection Commission and discipline inspection commissions at all levels immediately pitched into this struggle, and removed the obstacles for reform and opening to the outside world. The tremendous achievements scored by the previous Central Discipline Inspection Commission in restoring order from chaos and correcting party style have played an important role in facilitating the resolute implementation of the line of the 3d Plenary Session of the 11th CPC Central Committee, and have laid a solid groundwork for the work of this Central Discipline Inspection Commission.

Major Work Over the Past Five Years [subhead]

Over the past 5 years, the Central Discipline Inspection Commission and party discipline inspection organs at various levels have earnestly carried out the tasks set by the 12th CPC National Congress and performed the work in the following major fields of discipline inspection.

1. We have corrected unhealthy tendencies in the party.

During the last 5 years, the Central Discipline Inspection Commission, while energetically restoring and carrying forward the party's fine tradition and three major work styles, has earnestly corrected unhealthy tendencies in the party, and coordinated with the public security, judicial, and procuratorial departments in investigating and punishing violations of law and discipline and eliminating evil practices in general social conduct. The discipline inspection organs at various levels worked out measures to straighten out and rectify evil tendencies, which caused the masses to be resentful. The discipline inspection organs investigated and punished those who abused their powers and positions in recruiting students

and workers, promoting cadres, obtaining approval to go abroad, transferring rural to urban households, or allotting living quarters; wasting public funds for extravagant banquets and gifts; indiscriminately felling trees, and other violations of law and discipline. The discipline inspection organs concentrated efforts to tackle the six serious problems existing in the style of leading organs, which had been pointed out by the party Central Committee, and worked together with relevant departments in rectifying unhealthy practices in various trades and professions.

Following the party Central Committee's decision on party rectification, the discipline inspection organs at various levels actively took part in the entire process of party rectification and did a tremendous job in rectifying party style and reinforcing party discipline.

Comrade Deng Xiaoping said: "In building spiritual civilization, improving party style, and bringing about a change for the better in general, it is necessary to begin with concrete matters." "It is necessary to seize glaring cases of violation of law, especially those involving children of senior cadres, senior cadres, and celebrities." Over the past few years, the Central Discipline Inspection Commission and discipline inspection organs at various levels investigated and punished a large number of cases. Between 1982 and 1986, a total of 650,141 party members were disciplined, including 151,935 expelled from the party. In 1985 and 1986, 74 cadres at the provincial and army levels and 635 cadres at the prefectural and divisional levels were disciplined. These include the cases involving Zhou Erfu, who seriously violated discipline in foreign affairs; Xu Jizheng, former Standing Committee member and director of the Propaganda Department of the Jilin Provincial Party Committee, who committed errors in covering up wrongdoers; Hong Qingyuan, former Standing Committee member and secretary general of the Anhui Provincial Party committee, who took bribes; Ni Xiance, former deputy secretary of the Jiangxi Provincial Party Committee and governor, who committed corruption and violation of law and discipline; Shen Tu, former member of the CPC Central Committee and director of the Civil Aviation Administration of China, who seriously violated discipline in foreign affairs and abused his powers to seek personal gains; and Yang Zhong, former secretary of the party group and minister of forestry, who committed serious bureaucratism. The investigation and punishment of these cases produced strong repercussions inside and outside the party.

2. We have examined the implementation of the party's principles and policies.

Over the past 5 years, the Central Discipline Inspection Committee and discipline inspection organs at various levels paid attention to examining problems concerning some party organizations and cadres who strayed from the party's principles and policies at work. For example, at times, there was a rush by some party and government

organizations and cadres to set up businesses or enterprises, while some departments and units indiscriminately handed out bonuses and subsidies in cash or in kind. The discipline inspection organs at various levels took prompt action to examine and rectify such problems once they were brought to light. The leading body of the Chengwu County party committee in Shandong had practiced gravely erroneous workstyle and failed to correctly implement the party's principles and policies. The Central Discipline Inspection Commission and the Shandong Provincial Discipline Inspection Commission, after discovering and examining this case, made a recommendation to the provincial party committee which then reshuffled the leading body of the county party committee. In 1985, the Central Discipline Inspection Commission sternly handled a major case involving importation of vehicles and resale of them for profit in Hainan Dao, and examined and rectified serious mistakes by the Hainan Administrative District Party Committee and its principal leaders in violating the party Central Committee's principles and instructions for the construction in Hainan Dao. In this regard, the Central Discipline Inspection Commission sent a letter to the Guangdong Provincial Party Committee which then drew lessons from the case, thus ensuring that Hainan Dao and Guangdong develop along a sound path of reform and opening as well as produce a positive influence in other places in China. In addition, the Central Discipline Inspection Commission also investigated and punished cases involving the manufacturing and sale of fake medicine in Fujian's Jinjiang, Hebei's Chengde, and other places. It issued an open letter to the Jinjiang Prefectural Party Committee and Administrative Office and sent a letter to party committees at all levels on cracking down on the manufacture and sale of fake medicine and substandard products. All this gave impetus to promoting the nationwide investigation of fake and substandard products and correcting the erroneous managerial direction in some economic sectors.

3. Safeguard the Four Cardinal Principles, Strengthen the Party's Political Discipline.

In the past 5 years, the Central Discipline Inspection Commission has regarded it as an important task to safeguard the four cardinal principles and strengthen the party's political discipline. While struggling against the "leftist" errors that obstruct reform and open policy, it has resolutely opposed the bourgeois liberalization which negates the socialist system and advocates the capitalist system. Since Comrade Deng Xiaoping delivered an important speech at the 2d Plenary Session of the 12th CPC Central Committee in 1983 on not permitting spiritual pollution on the ideological front, the Central Discipline Inspection Commission and discipline inspection organs at all levels have resolutely implemented the instruction and promptly reported the situation in this area to the party Central Committee and party committees at all levels. In view of the proliferation of the ideological trend of bourgeois liberalization, and in order to uphold and safeguard the four cardinal

principles, the Central Discipline Inspection Commission issued the "Circular on Obliging Communist Party Members To Strictly Observe the Party Constitution." The circular stressed: The idea and acts of bourgeois liberalization go against the general principles of the party Constitution, that is, they violate political discipline. All party members and party member-cadres should observe the party's political discipline. Early this year, Wang Ruowang, Fang Lizhi and Liu Binyan, who committed the mistake of violating political discipline, were expelled from the party.

4. Guarantee and Promote Structural Reform of Socialist Economy.

In 1984 China's economic structural reform focusing on urban areas was gradually presented. The Central Discipline Inspection Commission explicitly put forward the policy and principles of supporting and guaranteeing reform, adopted the resolution on "Strengthening Discipline Inspection to Guarantee Smooth Progress of the Economic Structural Reform," and called on the large numbers of discipline inspection cadres to thoroughly carry out reform and remove obstacles. As the reform and open policy is being thoroughly carried out, Comrade Chen Yun said: "The party's discipline inspection departments at all levels should resolutely oppose and correct the people and things that obstruct and undermine reform. Furthermore, they should turn discipline inspection work into an important force for promoting reform." In the past few years, the Central Discipline Inspection Commission has held national meetings for exchanging experiences in rectifying party style, as well as discussion meetings on discipline inspection in open areas along the coast to exchange and popularize experiences in improving party style, facilitating reform, and simultaneously promoting the development of socialist material and spiritual civilization. It has introduced the typical experiences of some localities in turning discipline inspection work into an important force for promoting reform. This has helped discipline inspection organs at all levels guarantee and promote reform while performing their work in discipline inspection.

In the course of reform, some localities and departments misunderstood the idea behind the need to reform rules and regulations and to relegate powers to lower levels, hence the emergence of the erroneous view that "party discipline should be relaxed" and so on. Some even regard discipline inspection organs as the stumbling rocks for reform. The Central Discipline Inspection Commission became aware of this problem just in time and held provincial, municipal and autonomous regional discussion meetings on discipline inspection in August and September 1984 to correct the erroneous idea of setting the efforts to rectify party style against the efforts to reform, open to the outside world and invigorate the economy. It explicitly pointed out: To support reform, discipline inspection organs should strictly enforce discipline on party members who go against party policies, undermine reform measures, and violate discipline and

laws, and should carry out education in party spirit among party members. Therefore, party discipline should never be relaxed, and resolute efforts should be made to investigate the activities among party member-cadres who, under the pretense of reform, seek selfish interests at the expense of reform, or who engage in other activities that violate law and discipline. At the Fourth Plenary Session of the Central Discipline Inspection Commission held in October the same year, Comrade Chen Yun said: "In conducting discipline inspection, we should study and adapt our work to the new situation. The question of 'relaxing' the principle of party spirit and party discipline does not arise. Without a good party style, reform will not be successful. The Communist Party should uphold party discipline at all times whether it is conducting underground activities or it has become a ruling party." Party committees and discipline inspection commissions at all levels have implemented the guidelines of the meeting, offset the interference by erroneous ideas, and resolutely supported and promoted reform. In the spring of 1986, the erroneous view of setting discipline inspection against reform again emerged within the party and in society. The Central Discipline Inspection Commission promptly criticized and rectified this view, pointing out the need to resolutely support and assist comrades and units who were bold in reform and exploration and to correct the mistakes and deviations that occurred in the process of reform and exploration in order to ensure a sound development of reform.

5. We have cracked down on serious economic crime.

Since the party shifted the focus of its work to socialist economic construction and introduced the reform and open policies, our social productive forces have expanded rapidly and the national economy has surged vigorously ahead. At the same time, serious criminal offenses have spread in the economic sphere. After the party Central Committee issued an emergency circular on cracking down on serious economic offenses in 1982, the Central Discipline Inspection Commission and discipline inspection organs at various levels were instructed to carry out the work as the working body of the struggle to combat economic crime, led by the party Central Committee and party committees at various levels. The discipline inspection organs immediately concentrated forces and closely coordinated with relevant departments in meting out severe punishment for smuggling, trading smuggled goods, offering and accepting bribes, profiteering, fraud, graft, and larceny. In September 1983, the Central Discipline Inspection Commission called a national work conference on cracking down on serious economic crime to correct an erroneous idea that believed the struggle against economic crime could impede the progress of reform and opening up, eliminate shortcomings in the work, and strengthen the forces for investigating and cracking down on crime. The Central Discipline Inspection Commission and the Central Political and Legal Affairs Commission jointly issued "Suggestions Concerning Severe Punishment for

Serious Economic Crime" (that is, "the 10 rules"), which outlined the limits for applying policies under complex circumstances, thus deepening the struggle against economic crime. During the nationwide struggle against economic crime from February 1982 to July 1986, a total of 67,613 members were disciplined by the party with 25,598 expelled. The major victory in the struggle against economic crime has exerted a positive influence upon the implementation of the reform and open policies, harnessing the enthusiasm of the cadres and ordinary people in making reform, and increasing the law-abiding sense and ability to resist the inroads of decadent capitalist ideas among party members and the masses of people.

6. We have handled voluminous petitions and visits and brought into play the supervisory role of the masses.

Over the past years, the discipline inspection organs at various levels have regarded letters and visits from party members and the masses as an important channel for maintaining contact with, understanding, and accepting the supervisory role of the masses. Through this channel, the discipline inspection organs at various levels discovered problems existing in party style and the implementation of policies, and obtained clues and information concerning violation of discipline by some party members. Clues to a good number of major and serious cases were pursued through letters and visits, and violations of discipline by some leading cadres, including high-ranking cadres, were exposed by the masses in letters and visits. According to the statistics in recent years, what the majority of letters and visits had disclosed were true or partially true. Very few were not consistent with the facts and there were only a few false charges. The record shows that earnestly handling petitions and visits and making the best use of the information provided by them is an important prerequisite for doing a good job in discipline inspection.

Progress has been made in rectifying party style and correcting unhealthy tendencies inside the party since the 3d Plenary Session of its 11th Central Committee. The mainstream of party style is good. The party Central Committee's ideological, political, and organizational lines are entirely correct. Under the leadership of the party Central Committee, the party's leading bodies at all levels have been readjusted in recent years, party organizations have been invigorated and their fighting capacity enhanced. The overwhelming majority of party members are good. Unhealthy practices by a few party members have aroused the attention of all, who are more determined than ever to combat and correct unhealthy tendencies. A situation in which the whole party focuses attention on improving party style has taken shape. Therefore, there is no reason for pessimism and lack of confidence in improving party style. However, we must admit that unhealthy tendencies still exist in the party and sometimes resurface despite our effort to clamp down on them. In some localities, departments, and units, the leaders still did not thoroughly understand the

seriousness and grave harm of unhealthy tendencies in the party, and thus failed to promptly check and correct them. Moreover, it is also necessary to point out that the ideological influence of the "Great Cultural Revolution" upon some party members has not been completely eliminated yet, and decadent capitalist ideas, which are unavoidable after China's opening to the outside world, have corroded some party members and cadres who are not sufficiently tempered by party spirit, thus giving rise to various unhealthy practice. Therefore, improvement of party style is long-term work and requires persistent efforts.

Over the past 5 years, the party has scored achievements in its work on discipline inspection. However, there remain some shortcomings. For example, there are still some localities where discipline has not been strictly enforced, and not enough effort has been made in getting rid of interference and carrying out education on party spirit, party style and party discipline while cases are being handled. Our main experiences and lessons are:

1. The whole party should pay full attention to the party members' thinking which may possibly change in the course of assuming power, and strengthen its education on party spirit.

In the past, our party was in an environment of war and white terror. Objectively, such an environment was a severe test to and an invisible control over our party organizations and party members. Those who wished to join the party at that time wholeheartedly dedicated themselves to the realization of their revolutionary ideals and were ready to lay down their lives at all times. Therefore, most party members who joined the party at that time were ideologically sound, while displaying a fairly good work style. Thus, the party had a strong combat strength. However, after the party became the ruling party in the country, it had undergone tremendous changes. Some people actually thought that once admitted into the party, one would have power. They had joined the party with an egotistical point of view. This is just as Lenin had pointed out in his article "Conditions in Admitting New Party Members:" "The attraction is enormous in joining the ruling party." On the other hand, some of the old party members and cadres had endured the brutal circumstances, withstood hardship and survived life-or-death struggle. However, they failed to pass the tests in face of "power and influence," "praises" and "personal fame and gain." Their thinking has been gradually corrupted. The Second Plenary Session of the party's Seventh CPC Committee and the Eighth CPC National Congress had already repeatedly pointed out these ideological changes which might have taken place and the possible erroneous practices among the party members. However, over a protracted period, they failed to arouse enough attention. In particular, the "Cultural Revolution" had seriously destroyed the party's core. In addition, the corruption of the decadent capitalist ideas which prevail when we carry out reforms

and open to the outside world have encouraged the spread of various types of erroneous concepts that run counter to the principles of party spirit and the spread of bad work style.

Over the past few years, the discipline inspection organizations at all levels have handled tens of thousands of cases involving unhealthy practices. However, just as we have mentioned before, when one case concludes, another occurs. Some unhealthy trends have re-emerged after they are corrected. What are the reasons for all this? This question provides much food for thought. We believe that there are many reasons for the emergence of various unhealthy trends. As far as the ideologies of the party members and cadres are concerned, they included: serious individualism and abuse of one's authority to seek private interests; serious bureaucracy in the lack of a sense of responsibility to the party and the people; the advocacy of liberalism and total disregard of party discipline; refusal to uphold laws; and doing what is forbidden. One's actions depends on one's ideologies. We cannot stop unhealthy trends completely by judging these cases as they stand. It will be difficult to correct some party members' unhealthy tendencies and their erroneous actions if we do not help them change their ideologies and work style. An important lesson which we have learned from past experience is: To carry out education on party spirit and strengthen the party's ideological and political work is a major goal of the ruling party in improving its party style in the course of assuming its power. This is also the party's top priority task in rectifying party style. The discipline inspection organizations at all levels are not only organizations that investigate and deal with cases which involve violation of party discipline, but also important departments in improving ideologies within the party and party style.

In order to rectify unhealthy tendencies inside the party, the Central Committee has repeatedly stressed the necessity of formulating and enforcing rules and regulations. Without a complete system of rules and regulations, it is impossible to have a unified norm and standard for distinguishing right and wrong and restraining the behavior of party members. This system is of great importance to promoting socialist modernization and improving party style and general social conduct. The party's ideological and political work—i.e., the education in party spirit, style, and discipline—can guarantee correct implementation of rules and regulations. The two [ideological and political work on the one hand, and rules and regulations on the other] are in agreement. To ensure that party members are guided by strict rules and regulations, it is necessary to conduct the education in party spirit, because even rules and regulations cannot prevent people with erroneous ideologies and style from taking advantage of loopholes in the system. In short, we must attach great importance to setting up and improving strict rules and regulations, as well as pay close attention to ideological problems that may arise among members of the ruling party, by persistently carrying out the education in party spirit in order to correct erroneous

ideology among party members and thoroughly eliminate various unhealthy tendencies. These profound lessons drawn upon by the discipline inspection organs in the work over the recent years merit keen attention and provide food for thought for all party comrades.

2. It is necessary to adapt the discipline inspection work to the new situation, and support and promote the reform with the work.

Over the past 5 years, the Central Discipline Inspection Commission and discipline inspection organs at various levels have oriented their work to serving the reform and open policies by removing obstacles to the reform, correcting erroneous tendencies in the course of reform and opening up, and reinforcing party discipline. Acting on Comrade Chen Yun's instruction calling for "making the discipline inspection work an important force in promoting the reform," the discipline inspection organs at various levels have carried out a host of investigative studies and explorations and summarized their experience in supporting and promoting the reform in recent years.

The party's discipline inspection organs must adapt their work to the demands of the new situation. We have learned from our experience over the past years that in order to support and promote the reform, the discipline inspection organs must safeguard the party's basic line, principles, and policies. It is necessary to steadfastly support and protect comrades who resolutely carry out the party's principles and policies and actively take part in the reform; their initiative should never be dampened. As for comrades who make mistakes in the reform or who have shortcomings, we should promptly help them draw a lesson from their experience and encourage them to mend their mistakes. We must firmly oppose and check people who seek selfish interests in the name of reform.

3. In strictly administering party affairs, it is necessary to reinforce party discipline.

In order to ensure the party's leading role in the course of reform and opening up, it is necessary to strictly administer party affairs and reinforce party discipline. In quite a few areas and units, the discipline was lax and not reinforced. Some localities connived at and tolerated violations of discipline. But even though an investigation was conducted, it was perfunctory and the wrongdoers were sheltered and let go. A few party member-cadres with a weak sense of discipline violated the principle of democratic centralism in arbitrarily making decisions, thus causing frequent accidents that caused serious damage to the state. Lax discipline and a weak sense of discipline among party members have slackened the effort to overcome corruption. As the CPC is the ruling party carrying out the reform and open policies, we must stress, in particular, the necessity of reinforcing party discipline; and we must emphasize, in order to reinforce discipline and eliminate corrupt elements, that

all are equal before discipline. Otherwise, the purity of the party will be endangered, the relationship between the party and the masses will be undermined, and the party's fighting capacity will be destroyed.

To strictly enforce party discipline, it is necessary, first, to strictly enforce the political discipline of our party. That is to say, party members' words and deeds must agree with the party's line, principles, and policies; they must implement the party's basic line; and they must adhere to the one central task and the two basic points. This is the party's political discipline. In recent years, the struggles against the "left" errors and bourgeois liberalization have fully indicated the importance of strictly observing party political discipline. Some party members have turned a blind eye to the party's political discipline and published erroneous opinions in newspapers and journals or on public occasions as they pleased to negate the four cardinal principles and the general policy of reform and opening to the outside world. If we allow these erroneous opinions to spread freely and unchecked, it will be impossible to preserve the political situation of stability and unity and to ensure that the whole party will maintain political unity with the party Central Committee.

4. To rectify the party style, efforts should be made to carry democracy forward and step up supervision within the party.

At present, the inner-party democratic activities of some party organizations are still unsound. Some leading bodies and leading cadres lack a democratic work style, neither conducting self-criticism nor being willing to accept criticism and assistance from others. The practice of inner-party democracy itself implies the implementation of inner-party supervision. As a matter of fact, however, inner-party supervision, primarily the supervision over leading cadres who are party members, has not been very well carried out in some party organizations. Abnormal inner-party democratic activities will inevitably engender bureaucracy and arbitrary decisions and actions, and very easily result in connivance in unhealthy trends, such as abusing official power for selfish ends. For this reason, it is imperative to stress the need to improve and implement the various systems of democratic activities within the party in order to ensure that the broad masses of party members can all exercise their own democratic and supervisory rights.

Conducting criticism and self-criticism is a principal method for inner-party supervision. It is an effective weapon to keep our party united, consolidated, and unified. It should be stressed that while conducting inner-party democratic activities, we should constantly check the state of ideology and the work style of party organizations and leading cadres who are party members, and exercise inner-party supervision through criticism and self-criticism. Not only should there be normal democratic activities among the leading members within the party committee, but all ordinary party members

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should have the right to make criticism and complaints about party leaders at any level. We should increase our party's vitality by inner-party supervision through criticism and self-criticism.

5. Grasping party style by the whole party is the key to improving party style.

Improving party style is a major integral part of the ruling party's work to build itself. Rectifying party style is not only a job of the party's discipline inspection departments, but a major task of the party organizations at all levels and the Communist Party members at large. Therefore, it must be grasped by the whole party. This is an issue that has not been successfully resolved for a long time, but requires an urgent solution. In 1986 the party Central Committee held a meeting of cadres of central organs, calling for resolute efforts to check unhealthy trends. This evoked the great attention of the whole party from the top down, and concrete steps were taken accordingly in the whole party. We can list many achievements made in this regard, but the number one achievement, the achievement of greatest importance was that the whole party was motivated to grasp party style, resulting in a remarkable change in the work of rectifying party style. This achievement, and the experience gained from it, indicate that if we are to grasp party style, it is not enough to rely merely on the investigation and handling of discipline-offending cases by discipline-inspection departments. It is imperative for the party organizations at all levels to grasp party style. Only with continued efforts to consolidate and develop a situation where the whole party grasps party style can we effectively eradicate the corrupt phenomena within our party, close the loopholes that lead to unhealthy trends, foster a fine party style, and carry it forward.

In order for the whole party to grasp party style, it is of key importance that leading organs and leading cadres act as models. This means that the leading party, government, and army organs at all levels, and all leading cadres who are party members should not only be strict with themselves and play a leading role in enforcing party discipline and resisting unhealthy trends, but should be courageous in taking responsibility for the rectification of our party style. As long as the leading organs and leading cadres are making good examples, dealing with the question of party style as a real issue concerning the life and death of our party, and taking down-to-earth and effective measures, they will surely be able to bring about a turn for the better in our party style and our standards of social conduct.

Proposals on Discipline-Inspection Work in the Future
[subhead]

The 13th National Party Congress is an extremely important meeting in the history of our party. This congress clearly pointed out that China's socialism is still at the initial stage, and further defined the major content of our party's basic line as one central task and two basic

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points. It also put forth before the whole party the demand of deepening economic structural reform, and presented a blueprint for reforming the political structure. To fulfill this great historical task, the party is required to strengthen the work of building itself in the course of reform and opening to the outside world. The question of building the party is closely associated with the party's political line. The various tasks of the party for the new period must ensure implementation of the party's basic line. It is necessary to be stern in managing party affairs, strictly enforce party discipline, and enable our party to stand tests in functioning as a ruling party in conducting reform, and in opening to the outside world. In the next 5 years, the party's discipline-inspection work must be developed in accordance with these guiding thoughts so we can raise the party's discipline-inspection work for the new period to a new level.

1. Discipline-inspection work should become a vital force in promoting reform.

Reform and opening to the outside world are an unprecedented pioneering undertaking. Some specific policies and regulations cannot be made perfect all at once, and it is inevitable that some people with unhealthy ideas and thinking will take advantage of the loopholes. While we are conducting reform and opening to the outside world, decadent bourgeois ideas may also creep in, thereby increasing the complexity of our anti-corruption struggle. In particular, the old "left" habit within the party is intensive and extensive, and the task of solving the problems of no distinction between party and government functions, and over-concentration of power is very arduous. In the meantime, under the circumstances where our party is a ruling party, erroneous ideas and work styles still exist among some cadres who are party members. Because of this, the party organizations and discipline-inspection departments at all levels should not only firmly investigate and deal with the violations of discipline where loopholes are taken advantage of and reform is resisted and undermined, eliminate the resistance that hampers and harms reform, and guarantee the smooth progress of reform, but should also constantly sum up the new experience in supporting reform, actively popularize the new phenomena arising from reform, and strive to make discipline-inspection work a vital force in promoting reform.

2. We should implement the principle of separating party and government functions and concentrating efforts on improving party style and discipline.

Separation of party and government functions has presented a new task for reforming the discipline-inspection work itself. After the separation of the party's disciplinary work from the government's supervisory work because of the continuous improvement of the state's legal system and the establishment of the government's supervisory departments, the discipline-inspection commissions at all levels will be better able to focus their efforts on upholding the party Constitution and do

a good job in maintaining party discipline and rectifying party style, so that discipline-inspection organs will become important departments in working to improve the party's ideology and work style.

After the separation of party and government functions, the party's discipline-inspection work will not be weakened. It will still be the main duty and responsibility of the party's discipline-inspection organs to carry out the three principal tasks the party Constitution has set forth for them—that is, upholding the Constitution and other important rules and regulations of the party, assisting the respective party committees in rectifying party style, and checking up on the implementation of the line, principles, policies, and decisions of the party. Such being the case, discipline-inspection cadres are required to further raise their ideological and political level in order to conduct the discipline-inspection work with greater results.

3. It is necessary to accelerate party members' education in party spirit.

In the course of reform and opening to the outside world, an anti-corruption struggle will be inevitable within the party. For this reason, it is of great importance that education in party spirit, party style, and party discipline be conducted among our party members. Party committees and discipline-inspection commissions at all levels should view the strengthening of the education in party spirit and the improvement of party members' political and ideological quality as a fundamental measure to rectify party style and eliminate the various unhealthy trends within the party. They should select both positive and negative typical examples and especially pay attention to grasping typical cases of universal significance in education so they can carry out dynamic education aimed at solving specific problems.

Simultaneously with the education in party spirit, all trades and professions should set up their own professional ethical standards in the light of building socialist spiritual civilization. They should work out specific rules as to what should and should not be done. In the first place, party members should be urged to abide by these rules self-consciously in order to set an example for the broad masses of staff members and workers. Discipline-inspection organs should link the education in party spirit with the cultivation of professional ethics, and combine the rectification of party style with the correction of unhealthy trends in various professions in order to bring about a turn for the better in both party style and the standards of social conduct.

4. We should strictly enforce party discipline and be stern in managing party affairs.

The new situation of reform and opening to the outside world has placed the task of sternly managing party affairs in a more prominent position. On the whole, our

party is fully capable of eliminating the corrupt phenomena within itself and can stand tests in conducting reform and opening to the outside world. However, there are some party members who have become corrupt and deteriorated because they are unable to stand the corrosion and temptation of decadent ideas. In view of this, the whole party should not only pay attention to strengthening education in party spirit but should also strictly enforce party discipline, persist in being stern in managing party affairs, and oppose corruption in the course of construction and reform. Party committees and discipline inspection commissions at all levels should grasp the strict enforcement of party discipline as a major task in sternly managing party affairs and change the state of weakness, laxity, lack of discipline, and failure to strictly enforce discipline in some party organizations. Corrupt elements and the "three types of persons" must be resolutely expelled from the party, and there must be no appeasement or leniency. At the same time, constant education in discipline should be conducted among the broad masses of party members so as to enhance their sense of discipline.

5. Efforts should be made to improve inner-party activities and strengthen democratic supervision.

Reforming the political structure will result in a strict supervisory system within our party. On the basis of the stipulations and demands of the party Constitution and the "Guiding Principles for Inner-party Political Life," party organizations at all levels should establish and perfect the system of meetings on party organizational activities, the system of dual activity meetings of leading cadres of party committees at and above the county level, the system of democratic appraisal of cadres, and the system for the masses to write letters and make visits to party organizations. They should see to it that every party member, in particular every responsible cadre who is a party member, will, on his own initiative, keep himself within the bounds of party discipline, accept supervision by the party organization and the masses of party members, and earnestly conduct criticism and self-criticism.

Discipline inspection organs at all levels should put themselves under the leadership and supervision of the discipline inspection commission at the next higher level and the party committee at the same level. They should also accept supervision by the masses. At the same time, it is necessary to ensure that discipline inspection organs exercise their duties of investigation and supervision. The main task of local discipline inspection organs at various levels is to investigate and supervise the implementation of the party's line, principles, and policies by leading cadres with party membership at the same level and their problems with regard to ideology and workstyle. Discipline inspection commissions at higher levels should also directly investigate and get acquainted with the state of political life, ideology, and workstyle of party committees at lower levels. Through democratic supervision exercised by the entire party from top to

bottom and by a combination of efforts at both the higher and lower levels and both inside and outside the party, we should see to it that our party is really built into a contingent with unified thinking, strict discipline, and staunch fighting strength.

6. More efforts should be made to build up the discipline inspection contingent.

Strengthening leadership over the party's discipline inspection work and achieving success in building the discipline inspection contingent are part of the work of building up our party. To give full play to party discipline inspection organs' role in ensuring the implementation of the party's line and supporting and promoting reform under the new circumstances, it is necessary now to further elevate the political quality and work proficiency of discipline inspection cadres and to strengthen discipline inspection organs at all levels. Secretaries of discipline inspection commissions at all levels should attend meetings of standing committees of party committees at the same level. At the same time, party committees at all levels should select those cadres who are upright in style and have a relatively high ideological level to join and beef up the discipline inspection contingent. They should also protect those discipline inspection cadres who dare to struggle against acts that violate law and discipline and against unhealthy trends and evil practices.

In political structural reform, discipline inspection organs should study and make proposals setting forth opinions about reform in the light of the actual situation of their discipline inspection work. They should make ceaseless efforts to further improve their own organizations, ideology, and workstyle so as to build discipline inspection organs into capable and highly efficient organs. It is also necessary to make a success of training discipline inspection cadres in a planned way so as to raise the standards of the broad masses of such cadres in terms of their understanding of the policies as well as their ideology, theoretical knowledge, and work proficiency. In addition, discipline inspection commissions at all levels and all discipline inspection cadres should cope with the new situation, do well in conducting investigation and study, and strive hard to rectify our party style and raise the discipline inspection work to a new level.

Li Peng 'Almost Certainly' Next Premier

*HK051342 Hong Kong AFP in English 1337 GMT
5 Nov 87*

[Text] Beijing, Nov 5 (AFP)—Li Peng, ranked second in China's new Communist Party Standing Committee, is almost certainly to be named the country's new prime minister this month, a reliable Chinese source said Thursday.

The Standing Committee of the National People's Congress (NPC) is to meet by the end of November to name an interim premier, the source said.

He added that the Soviet-educated technocrat, who was the adopted son of former prime minister Zhou Enlai, was favoured for the job.

Outgoing premier Zhao Ziyang, 69, who was confirmed Monday as secretary general of the Communist Party, has told reporters he would step down "soon" from the government post and make way for someone younger.

Western analysts here say Mr Li is the most qualified to succeed Mr Zhao.

Considered as having a conservative and reserved character, Mr Li would add a voice of compromise to an essentially reform-minded government whose forward-looking policies won approval at last week's Communist Party congress here, observers say.

His nomination as interim premier would automatically be followed by his confirmation during an NPC plenum next year, analysts said.

Mr Li was adopted by Zhou Enlai as a child when his father was executed by the Kuomintang (KMT) forces during the Chinese civil war.

He went to Moscow in 1948 to study and returned six years later as a qualified engineer in the field of energy.

Article Views Deng's Reform Idea

OW050824 Beijing XINHUA in English 0757 GMT
5 Nov 87

[Text] Beijing, November 5 (XINHUA)—A signed article in the latest issue of "Outlook Weekly" described Deng Xiaoping's major contributions to scientific socialism as "clearly redefining the basic contradictions and the motive force of the development of socialism and advocacy of well-coordinated development in the political, economic and cultural fields.

These determined Deng Xiaoping's idea of all-round reform that should cover not only the systems of the economy, culture, science and technology and education, but also, and most importantly, the political structure, which, according to Deng Xiaoping, has many defects that are detrimental to the development of the productive forces in socialist China.

The article signed by Chi Fulin said that the late Chairman Mao Zedong was correct when he defined that the basic contradictions in a socialist society were those between productive forces and productive relations and between the superstructure and the economic base, but later he violated his own correct conclusion and mistook class conflicts between the proletariat and the bourgeoisie as the basic contradictions in China. His errors resulted in a great confusion in theoretical circles and tremendous sufferings in practice, the article said.

Using a scientific approach of seeking truth from facts, Deng Xiaoping came out to redress this error of Mao Zedong's and set the country back onto the correct course along the line that the basic contradiction in socialist China is that between the productive forces and productive relations when he said that the fundamental cause for the slow development of the productive forces in China lies in that China had not introduced timely economic and political reforms.

"If the reform is not carried out, our modernization and the socialist cause will face ruin," he warned.

In 1979, Deng said: "While raising social productivity by a big margin, we must reform and improve the socialist economic and political systems."

Based on these, he urged restructuring the economic and political systems as well as bringing about reforms in education and in science and technology.

As the elementary primary stage of socialism focuses on developing social productivity, Deng reasoned, it is necessary to remove those aspects of the social production relations and the ideological superstructure that are not suited to the development of productivity.

After China became socialist, it was influenced by "leftist" tendencies for about 20 years and formed rigid economic and political systems suitable for class struggle but not for the development of social productivity.

"Therefore, it has become our urgent task to reform such rigid systems that fetter the productivity development," Deng said. "China has no hope of a way out without reform."

Another contribution to scientific socialism made by Deng Xiaoping, the article said, is that he put forward the idea that reform is a revolution, which will help correctly handle the basic contradictions, regulate the interests of all social sectors and therefore constitute the real motive force that propel the development of socialism.

Deng expounded that the revolution in socialist productivity will inevitably lead to revolutionary transformation in specific socialist systems.

In 1980, Deng stressed that a number of systems carried out by the party and the state had corrupt practices that hindered or severely limited the superiorities of socialism. "If they are not corrected conscientiously, the modernization development can hardly be realized and we will become separated from the people."

Deng said people have a personal interest in the reform and that rearranging the relations of benefits among the people is also a revolution.

Since political reform must involve the personal interests, it involves great risks.

He warned against the influence of feudalism and called on the party to "eliminate the remnants of feudalism by focusing on reforming and improving the party and the state."

Deng's analysis of the basic contradictions shows that, once modernization develops, the socialist economic and political systems will inevitably be changed.

Over the years Deng has repeatedly stressed that the urban reform involves everything — the economy, culture, science, education, and especially the political system.

The development of the socialist commodity economy in particular will affect the way the people have done things for years. Reform of such systems is essential.

Only then, said Deng, can socialism be advanced. "Reform has promoted the development of productivity and brought about great changes in the economic and social life, the way of doing things and even in the people's mentality."

Practice over the past nine years, the article said, has testified to the correctness of Deng Xiaoping's reform ideas, which, it said, serve as an effective way for solving the basic contradictions of China's socialism and the problem of well-coordinated development in all fields of endeavour in a socialist society.

Foreign Party Leaders Congratulate Congress

French Communist Party Greeting

HK050325 Beijing RENMIN RIBAO in Chinese
29 Oct 87 p 6

[XINHUA report: "French Communist Party Greet 13th CPC National Congress"]

[Text] Beijing, 28 Oct (XINHUA)—On 22 October the French Communist Party Central Committee sent a letter to the 13th CPC National Congress, conveying its warmest greetings on the convening of the congress.

The congratulatory letter said: "On the occasion of the opening of your party's 13th National Congress the French Communist Party Central Committee conveys its warmest greetings to you. We follow with great interest the efforts made by your party and your people to satisfy the demands of the people in a better way, and to defend your national independence more forcefully along the path of profound reform aimed at realizing modernization of your country and a socialist society."

The congratulatory letter added: "The great undertaking of reform based on magnificent revolutionary achievements in your country has scored considerable progress

and success despite some new and complicated problems. This progress and success has encouraged you to strive for socialism with Chinese characteristics, which will be deeply rooted in the history, reality, and tradition of your people."

The letter emphasized: "The French Communist Party and the Chinese Communist Party have established very good relations. We would like to take this opportunity to reiterate that we will actively support you, and that we are willing to continue to further develop friendly and cooperative relations between our two parties and peoples."

Italian Communist Party Message

HK050424 Beijing RENMIN RIBAO in Chinese
29 Oct 87 p 6

[XINHUA Report: "Italian Communist Party Greet 13th CPC National Congress"]

[Text] Beijing, 28 Oct (XINHUA)—On 27 October, the Central Committee of the Italian Communist Party sent a letter to the CPC Central Committee, warmly congratulating the opening of its 13th National Congress.

The congratulatory letter said: "Various programs arranged by your national congress are of vital significance to the future of the Chinese people, and are also of great significance to the peace-loving and progressive forces in the world. We sincerely hope that the achievements of the 13th National Congress of your party will enable you to promote economic and political reforms, and the socialist modernization of the PRC. We firmly believe that the 13th CPC National Congress will play a new promoting role and make further contributions to disarmament, relaxation of tension in Asia and the world, and to extensive international cooperation and world peace."

The letter stressed: "Taking this opportunity, we would like to reiterate our desires: We intend to strengthen friendly and fruitful relations between the Italian Communist Party and the Chinese Communist Party, and to make efforts so that relations between Italy and the PRC, and between the Italian and Chinese peoples will become closer and more constructive."

Czechoslovak Communists' Telegram

HK050417 Beijing RENMIN RIBAO in Chinese
29 Oct 87 p 6

[XINHUA Report: "Czechoslovak Communist Party Congratulates 13th CPC National Congress"]

[Text] Beijing, 28 Oct (XINHUA)—The Czechoslovakian Communist Party Central Committee sent a telegram to the CPC Central Committee on 28 October, congratulating the success of the CPC National Congress. The full text of the telegram is as follows:

At this moment while the Chinese Communists are holding their supreme meeting—the 13th CPC National Congress, we extend our comradely congratulations to you and to all Chinese Communists through you.

Czechoslovak Communists are watching with interest the major reform process in Chinese society and the great achievements made by the Chinese working people in all fields of life under the leadership of the CPC. We also highly value the efforts of the PRC toward consolidating world peace and international security.

Cooperative relations and class support links the Czechoslovak Communist Party with the CPC. The Czechoslovak Communist Party is ready to further expand and develop relations between our two parties in an all-round way, so as to speed up socialist construction in both our countries and to strengthen socialism's position in the world.

We wish every success to the 13th CPC National Congress, and hope that all CPC members make greater achievements in implementing the party congress' resolution.

XINHUA Newsletter Hails 13th CPC Congress
*OW050427 Beijing XINHUA Domestic Service
in Chinese 1217 GMT 2 Nov 87*

[Newsletter by XINHUA reporter: "The Second Leap"]

[Text] Beijing, 2 Nov (XINHUA)—The 13th CPC National Congress, an event which had attracted worldwide attention, came to a triumphant conclusion in the Great Hall of the People on 1 November.

As the delegates stepped out of the Great Hall of the People, they saw the Museum of the Chinese Revolution clad in the first snow of this winter.

People, young and old, men and women, who had converged on Tiananmen Square from all parts of China, looked with joy at the Great Hall of the People where the curtain of the congress had just dropped. Their minds were preoccupied with the heavy historical mission and the people's expectations.

What will the congress imprint on Chinese history?

1. Comrade Zhao Ziyang, in his report to the 13th congress made on behalf of the 12th CPC Central Committee, characterized the course of integrating the universal truth of Marxism with the reality in China as two historical leaps. The first leap occurred during the period of new democratic revolution when the CPC, after suffering setbacks in exploring ways for success, found the revolutionary path with Chinese characteristics and won victory in the new democratic revolution. The second leap took place following the 3d Plenary Session of the 11th CPC Central Committee when the Chinese Communists, summarizing both positive and

negative experiences in the past 3 decades or so, began to embark on the road of building socialism with Chinese characteristics, and thus opened up a new stage of socialist construction. Extracted from the scientific formulation of the second leap is the theory on the initial stage of socialism. The price paid for the second leap should by no means be smaller than that for the first one, during which tens of thousands of outstanding sons and daughters of the Chinese nation sacrificed their lives.

At the congress, veteran communists, who joined the party in the years of war, discussed their personal experience during the first leap. They reminisced how the CPC, since its inception, had gone through twists and turns in finding the road of seizing political power by encircling the cities from the rural areas, overthrowing the three big mountains, and finally establishing a new socialist China on the ancient land in the Orient.

After the founding of the country, our party encountered many new problems never seen before. In retrospect, delegates to the congress, both weather-worn veteran Red Army soldiers and party members born after liberation, sighed at the hardships we experienced in exploring ways to build socialism.

In 1956, the socialist transformation was basically completed, and China entered an era of socialist construction. All Chinese Communists were inspired by the socialist ideal, but did not know how to realize it. China of the 1950's and 1960's, like a ship unable to fathom its position in a vast ocean, could not scientifically assess its stage of social development. Consequently, a series of fundamental errors, which were hardly avoidable, brought one setback after another to China's socialist construction. The "Leap Forward" of the late 1950's turned the Chinese people's noble aspiration to shake off poverty into an absurd act.

The delegates from Hebei Province shall never forget Xushui County's experience in "rushing to communism." In 1958, after Xushui was designated a national pilot county for communist construction, the county party committee set to complete socialist construction by 1960 and communist construction by 1963. At that time, the county's per-mu grain yield was only 100 kg, and per capita grain a little more than 100 kg, which were the only material foundations that the county had for building communism. Despite poverty and the low standard of development, the county tried forcibly to transition to communism.

Premature advances beyond the current stage of development brought about a gust of "communist wind" across the country. Naturally such overzealous dreams were punished by objective laws. As a result, the "Great Leap Forward" became a "great retrogression." Compared with 1957, the national agricultural output value of 1962 decreased by 19.9 percent, and the total grain output by 18 percent. The masses fell from the dream of

"paradise" to the abyss of "three difficult years." The decade-long "Great Cultural Revolution" pushed the Chinese economy closer to the brink of collapse.

After the 3d Plenary Session of the 11th CPC Central Committee in 1978, the whole party achieved unity in thinking on the background of the bitter historical lessons and in accordance with the principle of seeking truth from facts. Major adjustments of historical importance were made in the party's line, principles, and policies, thus straightening the orientation of China's socialist construction. Full-scale economic structural reform was carried out in both rural and urban areas. At the same time, the door of our nation was opened to usher in the new surging tides of economic development as well as science and technology from the outside world. In a short span of 9 years, miraculous changes have taken place on the vast expanse of the Chinese land.

In the past, we tried for some 20 years to develop agriculture by "taking grain as the key link", devoting our efforts to "vigorous criticism" and "all-out acceleration." From 1957 to 1976, however, the average per-capita food grain for the rural people in our country declined from 203 kg to 202.5 kg. Since the 3d Plenary Session of the 11th CPC Central Committee, large quantities of grain and cotton have been produced, though we still have the same land and weather. During 6 years from 1979 to 1984, our country's total grain output increased by more than 100 billion kg, approaching the total increase registered in 30 years from 1949 to 1978.

In developing industry in the past, we devoted the efforts of the whole nation at all costs to "taking steel as the key link." We did this even at the expense of a large amount of investment and a serious imbalance of our economic growth, but steel production increased only 2.6 million metric tons in 20 years. During the past few years, we lifted the control over iron and steel enterprises after seeking truth from facts, and the steel output increased by 2.1 million metric tons in only 8 years, without too much investment made by the state.

Even though urban reform is much more complicated than rural reform, the reform drive has brought vitality to China's economy. The blueprint for economic reform has gradually become clear. The responsibility system and contract system have been put into practice in cities, and the trend of development in this regard is irresistible. The development of lateral economic associations and the appearance of inter-area enterprise groups have shaken the framework of the old system. The institution of the contract economic responsibility system has given unprecedented vitality to a large number of state-owned enterprises that were once stagnant and inactive.

How were these miracles created? The answer is not at all mysterious. It is to proceed from China's reality in doing everything.

Proceeding from China's national conditions, the 13th National Party Congress summed up the experiences and lessons gained since the founding of the People's Republic, in particular the successful experience since the 3d Plenary Session of the 11th CPC Central Committee. It gave a full explanation of the theory of the initial stage of socialism and, on the basis of this theory, put forth the basic line for the initial stage of socialism. There is not the slightest doubt that this historical leap forward will affect the history of the Chinese nation for the next century.

2. When examining and discussing Comrade Zhao Ziyang's report, all the delegates were gratified and felt that they could set their minds at ease. They said: The theory of the initial stage of socialism has done away with various daydreams and fallacies and led us from the illusive world back to the real world and from the book to reality. It has made us feel suddenly enlightened. They added: The theory of the initial stage of socialism has provided us with a powerful ideological weapon, enabled us to wipe out the fog that once blocked our vision, relieved us of the heavy mental encumbrance, given us a sound theoretical basis to understand numerous issues concerning reform and opening to the outside world, and enabled us to find answers to a number of questions that we were not clear about in the past.

The delegates still remember that, in those days when our party's guiding thought was erratic, the vast number of CPC members and people still worked in a down-to-earth manner. During the 3-year period of difficulties in the early 1960's, comrades working on the production front tried to cope with the crisis by fixing output quotas for individual households and making them responsible for their own profits or losses. However, such worthy attempts were suppressed as capitalism and some comrades were punished.

Fortunately, truth has great vitality. Even before the fog of leftism was cleared after the crushing of the "gang of four," the peasants in western Sichuan took the initiative to break the bondage of the rigid system that advocated "large in size and collective in nature." The peasants in Anhui's Fengyang County marched toward affluence amid the sound of drums they used for begging in the past, and led the nation to adopt the system of fixing output quotas for individual households. Factories and enterprises in some cities also linked workers' benefits with their performance.

These unprecedented attempts bothered some people in those days, and some people criticized them or suppressed them. As reforms went on, the disputes over these attempts were sometimes overt and vigorous and other times covert and loose. When output quotas for individual households were fixed in the rural areas, the critics would say, "After toiling for decades we have gone back to the preliberation days"; when other economic projects were instituted on the basis of public ownership, these people would express concern, saying that "small

production would generate capitalism any time;" when one wanted to go all out to promote socialist commodity economy, these people would worry that "commodity worship" would corrode people's minds; when one wanted to open to the outside world, they expressed the concern that it would give way to capitalism; when income derived from nonlabor services was permitted while upholding the policy of "to each according to his work," they were flabbergasted, saying, "This is exploitation!" Like thick fog engulfing the path to reforms, these problems confused some people and slowed them down.

Nevertheless, whether we are right or wrong can be clearly seen if what we have done since the 3d Plenary Session of the 11th CPC Central Committee is judged by the theory concerning the initial stage of socialism. The delegates say that all the reforms that have been carried out during the past few years—including the adoption of different types of contracts, the use of various economic ingredients and methods of distribution, the application of market mechanism, the development of commodity economy, and the policy of opening to the outside world—are determined by the actual state of productivity during the initial stage of socialism. Anything conducive to the development of productivity is needed by or acceptable to socialism, and anything unfavorable to the development of productivity is unacceptable to socialism.

Productivity is the ultimate criterion that determines all types of social development. If we say that the work we have accomplished since the 3d Plenary Session of the 11th CPC Central Committee completely smashed historical idealism that fantasized socialism without regard to productivity, then the 13th Party Congress has carried out another theoretical liquidation of such historical idealism. This is great mental emancipation for all CPC members and the Chinese people. On this great land of China, scientific socialism has ultimately become the conscious action of hundreds of millions of people.

The theory concerning the initial stage of socialism cannot be understood by all people overnight. Having been conditioned by "high-sounding rhetoric" for years, some people are quite unaccustomed to hearing the "initial stage." This is not strange at all. Compared with policies that advocated "large in size, collective and pure in nature," many current policies seem to be "retrogressive"; and compared with the dream of "sprinting toward communism," the initial stage that will take some 100 years to accomplish is too long. However, whether or not a theory is correct cannot be judged simply by whether or not it is nice to hear, but by whether or not it is practical and can solve practical problems. Having the courage to "recede" to doing practical work from daydreaming is a big step forward. An ancient Chinese fable goes like this: Crossing an arid stream, a blind man misstepped and fell, but he managed to cling firmly to the side of the bridge thinking that if he let go, he would fall down a deep ravine. Passersby told

him: "You don't have to be afraid to let go, you're not far from the ground." But the blind man would not listen to them. He held on to the bridge and kept yelling for help. After a long while, he got tired, fell, and touched the ground. Then he laughed: "I would not have tortured myself like that had I known it was solid ground." The moral of the story is: It requires courage to "let go," and only those who have this courage can touch "solid ground."

The basic line—"one center, two basic points"—set forth by the 13th Party Congress is a realistic line that will remain unchanged for a long time to come. Under the new situation marked by reforms and opening to the outside world, this basic line shall serve as a guiding principle for people to distinguish right and wrong and a program for rallying the people to work hard. We can say without exaggeration that this basic line signifies the beginning of a new period of social stability, affluence, rising national strength, and long-term economic development of which people have been dreaming.

3. Great theory needs great practice. The realization of the first leap came after the great world-shaking events of the 10,000-li Long March, the War of Resistance Against Japan, and the War of Liberation. The second leap is the new Long March of the 1 billion Chinese people to build socialism with Chinese characteristics and realize the great rejuvenation of the Chinese nation. The path of this long march promises more brambles than roses and will be more rugged than level. Therefore, this means that still more arduous efforts will be necessary.

Our material foundation remains very weak. Despite the fact that China's gross national product has doubled in the past 9 years, on a per capita basis it will still remain closer to the end of the list of all countries in the world by the end of this century. By the end of this century, China's total industrial output value is expected to reach the level where the developed countries are in the 1980's. China's cultivated land is less than 2 mu per capita, which is less than one third of the world's per capita figure. Our total agricultural output value will at best reach the world's average level by the end of the century.

We are facing the challenge of the world's new technological revolution, but our scientific and cultural qualifications are still very low. There is 1 illiterate in every 5 people 12 years of age or older in China.

Although we have made tremendous achievements in economic structural reform, it will become more and more complicated as it develops in depth. We have yet to pass through the dangerous shoal of price reform.

The curtain has just been raised on China's reform of the political structure. As the reform develops in an all-round way, there may be all kinds of frictions and obstructions and all sorts of unpredictable and complicated situations may emerge from the shift of authority and the readjustment of entitlements.

The delegates noted: Of all the difficulties confronting us, the most knotty will still be the "leftist" old habits. As Zhao Ziyang's report points out, opposing ossified thinking will be our main task for a long time to come. Of course, there also remain the remnant ideas and practices of feudalism, and we are still being pounded by bourgeois liberalization. All these will be the stumbling blocks in the path of our advance.

In their discussions, the delegates noted that the reform eventually will bring benefits to the masses of the people. However, we cannot expect it to bring benefits to all of the people in a limited period of time. Sometimes, it is even necessary to sacrifice some of the benefits now available. The reform eventually will bring benefits to all people of the entire country, but this does not mean that it will bring equal benefits to everyone. This being the case, it will be a rigorous test for us whether to support the reform without any reservations or to become an obstruction to it. A communist must not only answer this question with his own action in the manner that accords with the party spirit, but also educate all the people around him to understand and support the reform with a correct concept of benefits. It is necessary to do away with the attitude of competing with each other for the sake of local benefits and the tendency to become shortsighted and eager for quick success and instant benefit; we must foster the spirit of long and arduous struggle. Those who look for personal gains in the name of reform and by taking advantage of the policy of opening to the outside world will eventually be spurned by the party and the people.

Comrade Zhao Ziyang specifically emphasized in his report that it is determined by history that we Chinese of this and the next few generations, first of all the communists, must be vigilant, unite as one, and redouble our efforts to forge ahead to catch up with the rest of the world. If we fail to do so, our country and our nation may very well become even more backward and there will be no place for us in this world. Every communist should seriously ask himself what is meant by the words "there would be no place for us in this world." In the war years, the communists never hesitated to shed blood or lay down their lives. By the same token, in the new Long March, Chinese Communists should, in order to attain a speedy change to the backwardness of our country and nation and win China the status it deserves in the world, display the courage to overcome all sorts of difficulties, the death-defying spirit to be firm and indomitable, and the revolutionary zeal to keep on fighting despite all setbacks.

A lofty sentiment rises in our hearts as we look back to the history of the Chinese revolution and across the land of China at a time when the people of the entire country are celebrating the holding of the 13th CPC National Congress. History will record this era of ours in big golden characters. The theory of the initial stage of socialism is put forth today, and the new stage of the socialist cause of China is opened in our hands. In spite

of the fact that we have suffered untold tribulations, we have nonetheless come upon this era of great changes which is also an era full of hope. This is the fortune of this generation.

Go all out and exert yourselves, each and every faithful Chinese Communist and each and every son and daughter of China!

News Analysis Views 'New Form of Democracy'
OW041257 Beijing XINHUA in English 0838 GMT
27 Oct 87

["News Analysis: Round-Table Discussion—A New Form of Democracy (by senior XINHUA writer Zong Shu)"—XINHUA headline]

[Test] Beijing, October 27 (XINHUA)—Different styles of discussion—a new form of democracy—are now appearing in the Chinese society.

In a Work Report to the 13th National Congress of the Communist Party of China, Acting General Secretary Zhao Ziyang made the establishment of consultation and dialogue an important measure in the reform of China's political structure.

A few days prior to the opening of the CPC Congress, China's Central Television (CCTV) broadcast an unusual meeting. On one side were a group of government officials headed by Yuan Mu, spokesman for China's State Council, while on the other side were ordinary citizens including workers, a pensioner, an individual business owner, a volunteer market inspector and a trade union official.

The subject of the talks was none other than prices, the most sensitive and interesting topic today. During the discussion, ordinary citizens asked presented government officials about small talk and even rumors about prices in Beijing, China's capital.

With almost 100 million television sets in the country, China boasts a regular TV audience of 700 million, which makes television the most powerful mass communication medium, so millions of people were watching the discussion as it was broadcast by CCTV.

The Chinese Communist Party considers the mass line one of its fine traditions. The method of leadership "from the masses, to the masses" maintained by the Communist Party is aimed at gathering different views from the masses, turning them into centralized, systematic ones, bringing them back to the masses to put them into action and testing them in practice so the masses can benefit.

In China, government and party officials from the central to local levels have to go regularly to grass-roots units to learn about the actual situation faced by the country's ordinary people. Many regulations have been formulated

in this way. In addition, various organizations, meetings, documents and mass media forms are serving as a bridge between the government and people, and passing information from one to another.

Quite a few cities have set up hot lines to the mayors in recent years. If a citizen has something to say to the mayor, he or she can dial the mayor's special number and get in touch with officials working at the mayor's office. Some party and government leaders have also marked special days on the calendar to receive visitors from the ordinary people.

Unfortunately, round-table discussions between the government and the people in China are still limited in form, and have not yet become a regularly-used system. This is hampering the exchange and mutual understanding between the leaders and the led. Misunderstandings and lack of information have resulted in quite a few complaints and criticism among the masses and have helped spread rumors.

As early as 1978, senior Chinese leader Deng Xiaoping said, "Today many rumors—some true, some false—circulate through the grapevine, both inside and outside the party. This is a kind of punishment for the long-standing lack of political democracy."

The fundamental way to change such a situation lies in making government work known to the people and encouraging public opinion.

After student unrest around the end of 1986, local leaders and theoretical workers were encouraged to talk directly with students and other youth, answering their questions and telling them about the progress of reforms and other issues. This effort has been welcomed by students.

Last June, officials and researchers from the State Commission for Restructuring the Economy, who are considered the State Council's think tank, held discussions with some 70 graduate and undergraduate students from four Beijing universities on the country's reforms. The students aired their worries and raised questions about some issues they were most concerned about, and the officials and researchers gave them serious and frank answers.

Excerpts of the talks were later carried in the "People's Daily," China's most influential newspaper. The frankness of both the students and officials deeply impressed Chinese readers.

In the work report to the 13th CPC Congress, Zhao urged "making public the activities of the leading organizations, letting the people know about important events and discussing important issues with them." This trend

will surely delight the Chinese people. Along with the improvement in democracy and education, people will undoubtedly sense a more urgent demand for this type of system.

During the annual session of the National People's Congress last March and April, CCTV screened eight press conferences with some central leaders who answered questions posed by Chinese and foreign journalists. Television viewers were generally satisfied with the introduction of this new practice.

It can be expected that the increasing openness of activities of leading organizations and frequency of discussions between leaders and the people will enable the people to have more influence on decisionmaking in state affairs and exercise their power of supervision more fully.

TA KUNG PAO Views 13th CPC Congress
HK050651 Hong Kong TA KUNG PAO in English
5 Nov 87 p 2

["The Past Week" column: "'Big 13th' Congress of Reform"]

[Text] With the bowing out from the political stage by virtually all members of the first generation of China's revolutionaries, a younger, slimmer and better educated Central Committee of the Chinese Communist Party [CCP] has been installed to consolidate the policies and new outlooks that are behind the momentous changes which have unfolded during the past nine years.

To all intents and purposes, the dramatic transfusion of new blood which transpired at the recent 13th Congress of the CCP was nothing short of expectations save, perhaps, that many would have slept more soundly if Deng Xiaoping had been persuaded to offer his wise counsels from a more forward post than chairman of the party's Military Commission.

A message the congress brought into sharp focus was surely the fact that these past nine years stand conspicuously apart in the entire history of the CCP of some 60-odd years. At the centre is a national effort to understand what socialism really is or should be in terms of the actual conditions of China.

It might be recalled that when Deng Xiaoping counselled 'emancipating the mind' and 'seeking truth from facts' at the outset of this period, these pronouncements had come more as critical comments on the great harms done by the rustic interpretation of socialism which had held sway in China during the previous two decades. No serious prognosis of what the socialist framework might realistically be like was made at that time, which was only natural.

A lesson that China has definitely drawn in the aftermath of successive political campaigns is recognition of the country's economic and cultural backwardness. That there was no quick way to build a socialist edifice on this foundation was amply demonstrated by the failure to achieve the desired goals either by a high concentration of power or, as in days of yore, by commands, which was indeed the most effective way to direct military operations. From 'emancipating the mind' and 'seeking truth from facts', Deng's thinking was soon developed to embrace a number of features of a manifestly socialist society hitherto not dealt with in Marxist classics, nor by Mao in his lucid years.

Therefore, it should not be irrelevant to take pause to recapitulate some of those features which gradually emerged, bearing in mind the thoughts and prevailing practices they stand in contradistinction to.

—The long period of the rudimentary stage of socialism in which the backward economic and cultural conditions can only be progressively but gradually removed: The Great Leap Forward and the belief that communism was just around the corner.

—The basic task of socialism is development of forces of production: Politics takes command.

—The socialist economy is one of planned commodity production: Little or no regard for profit, cost and the marketplace.

—Reform: The theory of the 'continuous progression of the revolution'.

—Open-door policy: Isolation.

—Peace and development are the aim issues in global relations: Imperialism and superpower domination.

While it is true that all great reforms had their share of skeptics and opposition, it is natural to assume that in the case of China's recent past, the greatest resistance is ironically posed by influential and entrenched forces within the ruling CCP.

In a word, it is in light of this that we are greatly enthralled by the proceedings at the 8-day CCP 13th Congress which came to a close on 1 November on a confident note that the ongoing reforms shall be zealously carried forward. The prediction that the rudimentary stage of socialism will be with China for as long as 100 years furnished further assurance that the policy of reform and its complement, the open-door policy, will be upheld for generations to come.

For some time, critics of the reform have decried its lack of theoretical rationale. This gap has now been filled by Zhao Ziyang's brilliant exposition of the rudimentary stage of socialism which will serve as the basis for all Beijing's policies in the foreseeable future.

Designed to serve the all-important development of the productive force in this early stage, the political reform unveiled at the congress will clear up much of the prevailing confusion which have become serious obstacles to the economic structural reform.

Now publicly acknowledged as the chief architect of China's reform, Deng Xiaoping was absolutely right in tracing the country's political ills to the leadership system of the Chinese Government but, more importantly, the CCP. Over-concentration of power is a root cause of red tape, he told an enlarged meeting of the CCP Political Bureau back in 1980. Over-concentration of power discourages socialist democracy and destroys the collective leadership and initiative, he added.

Acting on these wise counsels, the first item offered by Zhao Ziyang in his political reform package was the separation of functions of the Chinese government and the CCP.

That the importance of this question can hardly be overestimated can be seen from Zhao's assertion that until this problem is solved, Party leadership cannot be strengthened and it would be extremely difficult to carry out the other proposed measures for the political reform.

The determination to disentangle the powers of the government and the CCP is shown by the forceful measures he proposed:

—The Party committee at a given level will henceforth not designate a full-time secretary or member of its standing committee, who holds no government post, to take charge of government work.

—Party departments that overlap their government counterpart shall be abolished.

—Leading Party groups (not to be confused with party committees which are elected—Ed.) in government departments should be gradually abolished since the practice of making these groups responsible to the Party committees of the next higher level which approved their establishment is not conducive to unity and efficiency in government work.

It is to be hoped, however, that distractors of the reform will be prevented from seeking to transfer unqualified Party officials, be he a secretary or a standing committee member of a Party committee, to government posts and thus continue their interference in government work.

PLA Deputies Discuss Zhao's Report

HK050901 Beijing JIEFANGJUN BAO in Chinese
30 Oct 87 p 1

["Seriously Carry Out the Basic Line of the Party During the Initial State of Socialism—Excerpts of Speeches by PLA Delegates to the 13th Party Congress on Zhao Ziyang's Report"]

[Text] Theoretical Ground for All-round Reform [sub-head]

Deputy Fu Quiqing: The report for the first time systematically expounded the theory about the initial stage of socialism. It made new important contributions in theory. This is the most important characteristic and also the essence of the report. The 13th Party Congress will be recorded in party history with its major theoretical contributions. During the democratic revolution, Comrade Mao Zedong summed up the theory of the new democratic revolution for our party. This theory guided us to win the victory in the new democratic revolution and establish the new China. The party central leadership now puts forth the theory about the initial stage of socialism. It will guide us to open a broader road to build socialism with Chinese characteristics.

Deputy Li Yuge: The theory about the initial stage and the basic line for this stage were established by our party after paying heavy costs. In the initial stage of socialism, the most important thing is to develop productive forces in a big way. We should advocate and support things that are favorable to the development of productive forces and the well-being of the people. China can stand on an equal footing with all nations in the world. It can do this because the Chinese people have creativity and have found their own original way to carry out revolution and construction.

Deputy Yuan Jun: The theory on the initial stage of socialism put forth in the report includes the analysis of the basic contradiction and the formulation of the basic line. During the new democratic revolution, Comrade Mao Zedong wrote an essay "On New Democracy" and charted a clear course. Now the theory on the "initial stage" is of great guiding significance for our socialist modernization cause. We can say that the significance of our party's theory on the initial stage of socialism matches that of Comrade Mao Zedong's "On New Democracy."

Deputy Xiang Shouzhi: The theory about the initial stage of socialism provides a theoretical foundation for the all-round reform. The objective requirement of the initial stage of socialism is to adhere to the one center and two basic points. This is the basic conclusion based on the basic characteristics of the initial stage of socialism. This was summarized into the party's basic line in the report. This shows the firmness, continuity, and long-lasting character of the party's line since the third plenary session. It indicates both our firm determination and confidence in advancing modernization wholeheartedly and that we will continue to take the road of building socialism with Chinese characteristics.

Deputy Wan Haifeng: In the past, we did not really understand what socialism was. We even regarded socialism as "being larger in size and having a higher degree of public ownership." Many incorrect things were added to the concept of socialism. We paid a heavy cost in practice. After the third plenary session, we knew that poverty is not socialism. The report of the 13th Party Congress gave further theoretical exposition. It clearly

pointed out that the basic task of socialism is to develop the productive forces and that all efforts must be concentrated on modernization. This is a major breakthrough in the theory of scientific socialism, and it greatly enriched and developed this theory.

Deputies Zhu Guang, Yu Zhenwu, and Meng Jinxi: Comrade Zhao Ziyang's report gave a systematic and profound theoretical exposition of the basic line for the present historical period. This is a major theoretical issue, and is the basic grounds for formulating all of our policies. In the past, we took a tortuous path because we did not properly solve this issue. Now the report to the 13th Party Congress has given us a correct answer. This has enriched and developed Marxist theory. The achievements will certainly be recorded in party history. They will become a valuable part of Marxist theoretical treasures.

The New Development of Marxism [subhead]

Deputy Li Desheng: The report gave comprehensive and systematic analysis and answers to the major issues in our socialist modernization. For the first time it clearly pointed that our country is now in the initial stage of socialism. This represents a major development of Marxism. It is the basis for our line, principles, and policies. It is a programmatic document which erects a new milestone in our socialist construction. It will greatly inspire the people throughout the country. And it will greatly strengthen the people's confidence.

Deputy Mo Wenhua: The report puts forth the theoretical issue about the initial stage of socialism. This theory was summarized by our party through long-term practice. It is easy to talk about combining Marxism with China's revolutionary practice, but it is difficult to really do so. As we are situated in the initial stage of socialism, we must go all out to develop productive forces. We must continue to carry out reform, to open up to the outside world, and to enliven the economy, as science and technology are developing rapidly now in the whole world. That is to say, the theory about the initial stage is the basis for formulating our current policies.

Deputy Guo Linxiang: The report is a good document which properly combines the basic principles of Marxism with China's socialist construction practice. It systematically answered a series of major theoretical and practical questions in our present socialist construction in an all-round way. It is a general program for guiding the whole party's action. The basic line for the initial stage of socialism expounded in the report is a further summing-up and development of the party's line since the third plenary session. In the formulation and development of this line and in the making of all crucial policies, Comrade Deng Xiaoping made outstanding contributions.

Deputy Chi Haotian: Comrade Deng Xiaoping's contributions to the building of socialism with Chinese characteristics are known and acknowledged by all people. This has been fully affirmed in the report to the 13th Party Congress. This is in line with the wishes of the whole party, the whole army, and the whole nation. Although this passage is not too long, it has substantial content and profound connotations and is of great significance. We have all experienced the practice since the third plenary session. From the discussion on the criterion for judging truth and the criticism of the "two-whatevers" viewpoint to the struggle against bourgeois liberalization and to adhere to the four cardinal principles; from the formulation of the policies of reform, opening up, and "one country, two systems" to the creation of the theory on the initial stage of socialism, the party's every major step demonstrated Comrade Deng Xiaoping's courage to make theoretical breakthroughs, his realistic spirit, and his insight and foresight. Without Comrade Xiaoping holding the helm and playing a mainstay role at the crucial moments for our country, there would not be today's good situation.

Deputy Zhang Zhongxian: The theory about the initial stage of socialism is not copied from the classics. Nor is it copied from other nations. It is the correct conclusion drawn from our party's scientific analysis of our national conditions according to the principle of seeking truth from facts. This shows that our party has become more mature in understanding the objective law that governs the development of socialism.

The Guarantee for Implementing the Basic Line [sub-head]

Deputy Li Yaowen: In order to correctly implement the party's basic line in the initial stage of socialism, we must continue to oppose both "leftism" and rightism whenever they appear. The report made penetrating analysis of the root causes of the "leftist" and rightist ideas, and provided a mental weapon to fight against "leftism" and rightism. The report stressed that the main task for a long period to come is to overcome the rigid way of thinking and the ossified ideas, because "leftism" has deep-rooted influence. The two revolutions lead to two great leaps forward and fulfill different tasks with different methods. The first revolution overthrew the "three big mountains." The current revolution will effect self-improvement and reform things which are not in line with the development of the objective situation. Therefore, we should adopt a historical materialist attitude. We should neither negate things that should be affirmed, nor affirm things that should be negated. The report said that the development of the party is always closely linked with the party's political line. So, in order to carry out the party's basic line, we must strictly enforce party discipline. We must also improve the party's quality in the ideological, organizational, and style aspects. All party members and cadres should be required to stand the test of opening up. In the past, the party central leadership warned against the "sugar-coated bullets"

beforehand. Today, the party central leadership again stressed the need to carry out struggle against corruption in the course of reform and construction. With the development of economic relations, we need to better strengthen education in party spirit, party style, and party discipline.

Official Urges Authors To Assist Reform

HK050107 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1000 GMT 3 Nov 87

[Text] Beijing, 3 Nov (ZHONGGUO TONGXUN SHE)—Bao Chang, member of the Secretariat of Chinese Writers Association, recently pointed out that the 13th CPC National Congress is a grand meeting to speed up reform and opening up in an all-round way. Correspondingly, literature is also confronted with the question of reform and opening up, which it should reflect and promote. Meanwhile, reform and opening should also be accelerated in the field of literature.

Bao said that some critics believe that literature on reform has been at a low ebb during the past 2 or 3 years. This is incompatible with the era of reform which is bustling with activity. We hope that literary workers will earnestly plunge themselves into the current of reform and actual life and write works of great momentum that can inspire the people.

Bao Chang told this reporter that the Chinese nation is at the critical moment of taking off. This requires writers to increase their sense of the times and their sense of social responsibility and take an active part in writing literary works on reform. Apart from laying reasonable stress on a sense of the times and a sense of social responsibility, they should also arouse their enthusiasm. "No articles can be indifferent." Only when the soul is burning can we have crystals of true, good, and beautiful literature.

Bao said that writers should extricate themselves from the influence of erroneous theories and views, such as the "theory of making life apathetic" which prevailed for some time. He said that there are many problems, conflicts, difficulties, and even setbacks in the life of reform. Moreover, the relations between men are extremely complicated. Focused on reform, our life is full of the emotions of love and hate. For this reason it would be impossible for our works to "make life apathetic."

Shaanxi Official on Party Discipline, Style

HK050113 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 4 Nov 87

[Dispatch from station correspondent (Li Xinfeng) in Beijing: "Our Party's Discipline Inspection Work Must Support Reform"]

[Text] During the 13th National Party Congress this correspondent interviewed Comrade Li Huanzheng, commissioner of Yulin Prefecture and newly elected

member of the Central Discipline Inspection Commission. The 51-year-old Li Huanzheng has been working in Yulin Prefecture for 35 years. This correspondent first asked him about his views on our party building and party style.

Li Huanzheng said: Reform, opening up, and invigoration will inevitably raise new questions for discussion on party building. This means that we must strictly manage party affairs, promote party building, and enable our party to stand the tests of reform and opening up. The aim of our promotion of party building is to do a still better job in exercising leadership over reform and construction and in bringing about successful promotion of reform, which are interlinked. Under the new historical conditions I think that an important factor in passing judgment on the political quality of a party member is to see whether the party member supports reform. I think that the following type of party member behaves well in small matters but behaves badly in showing his or her political integrity: Those party members with good work style who are not active and enthusiastic in promoting reform or who simply pay no attention to reform.

In answering this correspondent's question about new demands made by party building on party cadres engaged in discipline inspection work, Li Huanzheng said: To rectify party style, party cadres engaged in discipline inspection work must first adopt new ideas, care for and support reform, and throw themselves into the mighty torrent of reform. They must not be onlookers watching our reform. Comrade Zhao Ziyang said in his report: The fundamental task of socialism is to develop productive forces. All types of work, including our party discipline inspection, must regard the promotion of the development of productive forces as the starting point.

Li Huanzheng added: The 13th National Party Congress has clearly shown the orientation of the party's discipline inspection for cadres engaged in discipline inspection work. The role played by discipline inspection work in promoting reform and opening up will be further enhanced.

Guangxi Secretary on Leftism, Zhao Report
HK010614 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 30 Oct 87

[Excerpts] According to *Guangxi Ribao*, Wei Chunshu, chairman of the Guangxi Autonomous Regional People's Government and delegate to the 13 National Party Congress, repeatedly stressed at the group discussion meetings of the congress: We must eliminate rigid and ossified ways of thinking; this is the major task of our work to speed up and deepen reform in Guangxi. [passage omitted]

Delegate Wei Chunshu noted: To act in accordance with the arrangements made by the 13th National Party Congress for speeding up reform, we must further eliminate the leftist influences and eliminate rigid and ossified ways of thinking.

He added: Judging from the conditions of many areas inside and outside our region, we can see that both the leftist influences and the rigid and ossified ways of thinking find more and more support in areas with the most underdeveloped economy and that the forces for reform and opening up find greater and greater resistance and obstructions in such areas. The level of productive forces in Guangxi is low and Guangxi's commodity economy is still quite backward. Compared with other provinces and regions, Guangxi was several years late in carrying out the work of eliminating the leftist influences and bringing order out of chaos. As a result, Guangxi is still deeply affected by the leftist influences.

Let us take the past few years' implementation of the 12 regulations as an example: The 12 regulations were formulated by our autonomous region in accordance with the central authorities' guiding principles as well as the relevant stipulations of the Law of Regional Autonomy of Minority Nationalities. After being examined through practice, the document on the 12 regulations has been proved to be a good document in the sense that it can promote the development of productive forces. However, the implementation of the 12 regulations has never been plain sailing. Up to now, some areas still have not yet transferred to lower levels the powers that should have been transferred. As a result, the enterprises in such areas have not been able to manifest their vitality. In addition, a small number of comrades still have doubts about the character of the 12 regulations. Therefore, our current major task is still the elimination of both the leftist influences and the rigid and ossified ways of thinking. This means that we must conscientiously study and get a good grasp of the theory of the initial stage of socialism. [passage omitted]

Official on Material Supply System Reform
OW040537 Beijing XINHUA Domestic Service
in Chinese 0949 GMT 30 Oct 87

[By reporter Xu Yaozhong]

[Text] Beijing, 30 Oct (XINHUA)—Yuan Baohua, deputy head of the State Council's leading group on reform of the material supply system, said today that reform in material supply should be aimed at promoting development of the planned commodity economy by gradually setting up, in a systematic and guided manner, the capital goods market in large and medium-sized cities.

In his report to the 13th CPC National Congress, Zhao Ziyang calls reform of the material supply system a main task in deepening the current reform, and puts forward a new formula of economic operational mechanisms, under which "the state regulates the market, and the

market guides enterprises." In view of the new situation, how should the reform of China's material supply system be carried out? In answering the reporter's question, Yuan Baohua, delegate to the 13th CPC National Congress and deputy head of the State Council's leading group on reform of the material supply system, said: Zhao Ziyang's work report advances the theory on initial stage of socialism, maps out arrangements for the political and economic structural reforms, formulates a strategy for economic development, and sets new demands on reform of the material supply system. Therefore, we must quicken the pace of material supply reform in order to cope with the needs of the development of the new situation.

This veteran in material supply said: For a long time, China has instituted a supply system focusing mainly on state distribution and allocation of products. Through reform following the 3d Plenary Session of the 11th CPC Central Committee, the proportion of the category of materials distributed under state mandatory plans has decreased, and the decision-making powers of enterprises and local authorities in distributing materials have increased, while diverse forms and different sizes of capital goods' markets have emerged. However, the economic structure characterized by barriers between departments and between higher and lower levels remains unchanged. The overlapping administrative organs, decentralized materials, and clogged circulation are detrimental to macroregulation of the state, invigoration of enterprises, and acceleration of the circulation of materials and funds. As the political reform progresses and the economic reform is deepened, the pace of reforming the material supply system must be quickened.

How can planned markets of capital goods be established? As far as this question is concerned, Yuan Baohua outlined the following two methods: the first is Shijiazhuang City's method of developing the capital goods market. For materials, covered or not covered by state planning, Shijiazhuang has instituted the method of "unifying market prices, refunding price differentials, if any, gradually relaxing control, and expanding the market," and replacing material distribution with value compensation through refunding price differentials, thus gaining valuable experience in marketing materials covered by the plan. This method should be popularized throughout the country, especially in large and medium-sized cities. It should be introduced to enterprises and

institutions directly under the central or provincial (autonomous regional) and city governments. The second method is to conduct open transactions of important means of production not covered by state planning, including materials at manufacturing enterprises' disposal, and importation not covered by the plan, at state approved materials trading centers, and to strengthen price control over such means, thereby facilitating the establishment of capital goods markets in a systematic and guided manner. In order to keep abreast of the establishment of capital goods markets, it is necessary to set up, and improve, materials trading centers for producers and consumers to conduct transactions in large and medium-sized cities, and to form a material supply network comprising stores, supply stations, and sales departments of all kinds of materials, to coordinate trading activities among manufacturing enterprises and between manufacturing and marketing enterprises. All localities should also explore and develop diverse trading forms, including future and over-the-counter trading, negotiated-price and cash trading, and limited and unlimited trading, in order to make the capital goods market prosper and meet the needs of various manufacturing enterprises.

Yuan Baohua said: Much needs to be done in material supply reform. In addition to developing planned markets of capital goods, it is also necessary to reform the planned distribution and management of materials, rationally restructure material supply and marketing organizations, invigorate material supply enterprises, and strengthen the managerial functions of state material supply departments.

Yuan Baohua said: Reform of the material supply system, which involves a wide range of areas, and is restricted by many factors, is a difficult task in the economic structural reform. It should be coordinated with the reform in planning, finance, pricing, and enterprise managerial systems, and should be carried out actively and systematically. Focuses for reform in 1988 are: first, to readjust material supply and marketing organizations under all central economic departments, and merge such organizations with state material supply departments; second, to popularize Shijiazhuang City's experience in developing capital goods markets, beginning with rolled steel, cement, and some nonferrous metals, throughout the country; and third, to try out material supply reform, led and organized by material supply departments in a few selected cities.

Li Xiannian in Urumqi en Route to Europe
HK051454 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 5 Nov 87

[Text] This afternoon, before embarking on his visit to France, Italy, Luxemburg, and Belgium, President Li Xiannian arrived in Urumqi by special plane. His wife, (Lin Jiamei); Qiao Shi, vice premier of the State Council; Zhou Nan, vice foreign minister; Zhang Haoruo, vice minister of Foreign Economic Relations and Trade; and his special assistants (Tao Shiju), (Li Zhongyi), and (Xu Huibao) also arrived in Urumqi on the same plane.

Wang Enmao, vice chairman of the national CPPCC and chairman of the regional Advisory Commission, and other autonomous regional party and government leading comrades, such as Janabil, Li Shoushan, Amudun Niyaz, Zhang Sixue, Huang Baozhang, and (Liang Guoyi) went to the airport to meet President Li Xiannian and his entourage.

At 1440, the special plane landed at Urumqi Airport. As soon as President Li and his entourage alighted, members of the Young Pioneers presented flowers to them. They were immediately followed by Wang Enmao and other comrades, who stepped forward to shake hands and exchange greetings with President Li Xiannian and his entourage.

Army Paper on Concept of Small Producer
HK050217 Beijing JIEFANGJUN BAO in Chinese
27 Oct 87 p 3

[Article by Wan Jiuru (8001 0046 1172): "Deepening Reforms Requires Overcoming the Influence of the Small Producer Concept"]

[Text] The momentum of reform in various fields in China is as irresistible as a raging torrent. However, reform is a complicated social system engineering project; every bit of progress will meet with the interference and influence of old habitual forces and concepts. Regarding China's national conditions in particular, the influence of the small producer concept should not be underestimated, because our level of productive forces is still rather low, and commodity economy is underdeveloped. To deepen reform, it is necessary for us to pay attention to overcoming the effects of the small producer concept. At present, we should mainly pay attention to the following aspects.

Break away from the narrow frame of mind of personal interests, and view reform in line with the overall and long-term interests of the people. The small producer is at the same time a small property owner. He is liable to observe matters from the angle of his own personal interests, and to see only his little immediate interests. Affected by such habitual modes of thinking, some comrades will easily focus their attention on their own narrow personal interests and fail to break through the

small circle of individualism in viewing China's economic and political reforms currently under way. They hope reform will improve the way things are, and bring themselves some practical benefit. True, this is a normal psychological need, but it will be wrong if reform is evaluated and regarded solely by the criterion of "immediate personal gains." Reform is an undertaking of all the people. When the CPC Central Committee drew up the line, principles, and policies for reform, it began with the overall and long-term interests of all the people. Reform is a profound revolution. Inevitably it involves changes in an old system, stipulations, rules, and regulations; and infringes on the partial interests of some units and departments as well as the temporary interests of a small number of people. For example, political structural reform aims to overcome bureaucratism, to streamline the organs, and to cut the number of personnel. Looking at the immediate effect, those departments and personnel under the axe will suffer some losses. However, these partial and temporary losses are precisely for the sake of the long-term interests of the whole situation. Our Army has demobilized 1 million men, with a great number of units abolished or merged, and a great number of deputy posts in the establishment abolished. Many cadres have been transferred to civilian posts, while those remaining at their posts have fewer chances for promotion. Viewed from the angle of the personal interests of some people, we must say they did suffer some losses. But the whole Army has undergone profound changes through this reform, and national economic construction has also benefited. Viewed from the angle of the whole situation as well as the people, including ourselves, we find the advantages are too great to be evaluated. Take the price reform as another example; the price hike of some goods has affected the temporary interests of some consumers. Our troops have been affected more by price fluctuation because they are non-productive units. However, the setting up of a rational price system through reform will promote and enhance socialist commodity economy, and that will be a long-term benefit to all the people including us soldiers. Moreover, reform is a systems engineering project which needs to be gradually made complete and perfect into a whole range; there is even a process to be undergone for any specific reform measure to become fruitful in practice, and we cannot imagine everyone will obtain substantial benefit overnight. On many matters, we can arrive at a correct and all-round understanding only by breaking through the individualist frame of mind and looking at things from the plane of the overall situation and from a long-term view.

Overcome conservative ideas, and plunge enthusiastically and boldly into reform. The long period of natural economic cocooning has caused a tendency in the small producer to be conservative and easily ossified. Facing new things, their psychology often finds expression in: first, doubt; second, observation; third, waiting; fourth, making progress but not without wavering; and fifth, becoming self-satisfied and halting progress once a little success is achieved. We should acknowledge that there is always a process of understanding in people's dealings

with new things. As long as one's way of thinking is correct, one's thinking will continue to develop and to deepen in the course of practice and cognition, and in repeated practice and cognition. However, those people affected by the small producer mentality will fail to make significant ideological improvement even when they are in the midst of the practice of reform. The cause lies precisely in their satisfaction with the status quo, their lack of desire to make progress, and their lack of enthusiasm for new things. Therefore, to deepen reform, it is imperative to eliminate the bondage of ossified conservative ideas. It is necessary to strengthen the study of material dialectics, and to understand the inevitability and pressure for China's reform. Comrade Deng Xiaoping has recently pointed out: "We should be bold in conducting reform at present, but keep our steps steady. Generally speaking, we should accelerate the pace in reform and opening up." Being bold means the need to blaze new trails, and to plunge into the new waves of reform enthusiastically. If one adopts a wait-and-see attitude, wavering and fearful, one is likely to fall behind in the times of reform. Some comrades believe that economic and political structural reforms chiefly concern the localities, and reform in the Army is not so pressing as in the localities. Such an understanding can only be one-sided. We should see, with the strategic change in the guiding idea on Army building, that many new conditions and problems need to be studied and resolved. The political structural reform of our state will propose new requirements on Army reform. If we should rest satisfied with our old frame of work, we will fail to meet the needs of the development in the situation. In sum, Army reform needs to be developed and deepened both macroscopically and microscopically. Our soldiers should also break through the bondage of ossified and conservative concepts, and plunge into reform boldly and enthusiastically.

Eliminate ideological interference, overcome wavering, and firm up faith in reform. In the face of social changes, small producers usually have a certain demand for changing the status quo and the initiative to participate in changes; however, they always think in terms of personal gain and loss, and waver. Those who suffer from the effects of the small producer concept are liable to be affected by erroneous ideological trends, and may lack solid faith in reform. When "leftist" ideology staged a comeback, they would often wonder whether reform deviated from the socialist orientation; but when the ideology of bourgeois liberalization was rampant, they would think there was a certain degree of truth in "total Westernization." When some successes were made in reform, they would lose their coolness of mind; but when reform met with some resistance, and when some mistakes or problems emerged in partial work, they would easily feel downcast. Therefore, on the one hand it is necessary for us to study profoundly the party line, principles, and policies on reform; to deepen our understanding of the spiritual essence of reform; and to improve our psychological endurance for reform; on the other hand, it is necessary to promote education in the

two-front struggle by linking with reality, and eliminate both "leftist" and rightist interference. In China's specific historical conditions, the small producers are affected more deeply and extensively by "leftist" influences; therefore, it is all the more necessary to pay attention to eliminating "leftist" influences on the ideological front.

Lenin pointed out: "The habitual forces of tens of millions of people are the most terrible." Overcoming the effects of the small producer concept cannot be completed overnight, but is a long-term arduous task. We should also see that reform as a great and profound revolution will after all provide favorable objective conditions for changing and overcoming the habitual forces and outmoded concept of small production. With the continuous deepening of reform, not only will we change all irrational old structures and all kinds of outmoded rules and regulations, but this will result in earth-shaking changes in China's political and economic state. It will also result in changes in the old traditional concepts and psychological habits and in the improvement of national spiritual qualities, while the mental outlook of our people will also appear as something new and fresh.

Public Servants Law To Set Rights, Duties

HK050833 Beijing CHINA DAILY in English 5 Nov 87
p 1

[By staff reporter]

[Text] China is drawing up a public servants law specifying their basic rights and obligations in a bid to improve the cadre system, an official of the Ministry of Labour and Personnel said.

A draft of the law will be submitted to the Seventh National People's Congress, convening early next year, for examination, Wang Jingsong, an official of the Ministry's Policy Research Office, told *China Daily* yesterday.

Under the law, public servants will fall into two categories: political affairs and professional work. The demarcation between the two will be at the level of vice-ministers, Wang said.

He said a major distinction between the two categories will be their time in office. Political officials will be employed for a specified period of time. They will have to be managed strictly in accordance with the relevant provisions of the Constitution and the law governing the formation of the State Council and be subjected to supervision by the public.

However, he said, at the moment the Constitution and the organic law only have stipulations about the tenure of the whole leadership of the State Council's ministries. So they should be improved.

Public servants in professional work will have permanent tenure. These public servants will make up the majority of government workers and their performance will directly affect the efficiency of government, he said.

But there must be a strong administration under the State Council responsible for management, Wang said.

Based on the new law, a set of specific regulations will be drawn up covering employment through examination, training, evaluation, promotion, punishment, welfare and retirement, he said.

The regular management of public servants will be complicated. For instance, the classification of offices essential in deciding salary grades, welfare and pensions. "Besides making an office post distinctive from its

superior and subordinate ones, we should also distinguish between ones at the same level in different departments. A director of general affairs may not receive the same pay as one of policy research. So it will take a long time to popularize the new system," he said.

The offices for the National People's Congress Standing Committee, public security departments, the State prosecuting body and people's courts will make separate laws regarding the management of employees, he said.

In a key-note speech to the 13th National Congress of the Communist Party of China, Zhao Ziyang, then acting General Secretary of the Party, said the emphasis of the current reform of the personnel system is on establishing a public servant system.

He said conditions should be created to enable Party and non-party workers to move rationally and have a choice of jobs.

East Region

Han Peixin on Jiangsu Economic Development
OW031201 Nanjing XINHUA RIBAO in Chinese
20 Oct 87 p 1

[Article by Han Peixin, secretary of the Jiangsu Provincial CPC Committee: "Reform the Motive Force for Jiangsu's Economic Development and Social Progress"]

[Excerpts] 1. Upholding the four cardinal principles and adhering to the general principle of reform and opening to the outside world while stressing economic development is the essential way to transform China into a prosperous, strong, and advanced country. Reviewing the tremendous changes that have taken place in Jiangsu's economic and social development during the past 8 years, it becomes clear that we have gained a better understanding of the line pursued by the party since the 3d Plenary Session of its 11th Central Committee, enhanced our awareness of adhering to the two basic points, and increased our confidence and determination in building socialism with Chinese characteristics.

Jiangsu Province has been blessed with a comparatively developed commodity economy. [passage omitted] By 1986, there were 13 counties in Jiangsu whose revenue exceeded 100 million yuan each. Urban economic development had become very active. The industrial structure and other production structures had been appropriately adjusted, thus further invigorating enterprises. [passage omitted]

2. During the course of economic construction and production development, we learned that the rigid systems formed over a long period of time are great obstacles impeding our progress. Unless these old systems are reformed and their defects eliminated, it is difficult to develop the productive forces and impossible to uphold the four cardinal principles meaningfully. Only by resolutely implementing the policy of reform and opening to the outside world can we enhance the people's enthusiasm and truly develop the productive forces. [passage omitted]

3. Reform and the open policy are the only way to promote economic prosperity and social progress, and have the support of the majority of people. But there were twists and turns on our road of advance. We suffered from interference from the "left" and from the right, especially from the "left." The masses of cadres and people in Jiangsu, under the correct leadership of the party Central Committee, made continuous efforts to eliminate the interference from both sides and enhanced their awareness of adhering to the two basic points in the course of practice. [passage omitted]

After notable economic progress was made in the province, the number of people openly opposing reforms decreased. Nevertheless, some "leftist" ideas continued to exert a bad influence on quite a number of people,

thus hindering the smooth progress of reform. One of these ideas was to interpret socialism with the narrow concept of small-scale production, describing egalitarianism, or "eating from the same big pot," as a good aspect of socialism, the adoption of the responsibility system as "retrogression," and the idea of allowing some people to become prosperous first as "polarization." To deal with this situation, we organized cadres and the masses to discuss the issue, in order to make them understand that egalitarianism in essence reflected a small-scale production mentality, which was incompatible with the principle of distribution according to work. [passage omitted] During the initial stage of development of rural industry, some people, believing that only state enterprises were truly socialist enterprises, charged that rural enterprises were capitalist enterprises which undermined socialism. They even slanderously called them "products of speculation," "places for holding dirty things," and "sources of irregularities." But facts have shown that the development of rural enterprises increased social wealth and state revenues and raised the peasants' standard of living. [passage omitted]

In accordance with the central authorities' guidelines and in light of Jiangsu's actual conditions, we made continued efforts to eliminate and criticize the "left" influence and, at the same time, criticized the trend of bourgeois liberalization with particular attention to certain problems caused by this trend. In this way we were able to solve resolutely and carefully some striking problems in the ideological and theoretical fields. Since the beginning of this year, we have conducted education by positive example to urge people to uphold the four cardinal principles in all areas of work, thus ensuring social stability and unity and steady development of the economy. We have realized that upholding the four cardinal principles and keeping to the general policy of reform and opening to the outside world—the two basic points—are two inseparable and closely linked component parts of the line of the 3d Plenary Session of the 11th CPC Central Committee and two aspects of the same entity in building socialism with Chinese characteristics. The integration of these two points is not only a question of theory but also one of practice. [passage omitted]

The road of socialist reform opened up by the 3d Plenary Session of the 11th CPC Central Committee has aroused the vigor and vitality of the people of Jiangsu. Of course, our work still has many shortcomings. Our pace in opening ourselves to the outside world is not fast enough. Economic development in various places of our province has been quite uneven. The benefits derived from our economic work are still not ideal. And in many areas of work we are lagging behind other provinces and municipalities to a rather great extent. To solve these problems, we should rely on further efforts to conduct reform and open ourselves to the outside world. Under the leadership of the party Central Committee, we will continue to firmly implement the line laid down at its Third Plenary

Session, persistently focus our efforts on developing productive forces, and uphold the two basic points so as to bring Jiangsu's economy to a new stage and win new victories.

Shandong Paper Lands Congress Achievements
SK050704 Jinan DAZHONG RIBAO in Chinese
25 Oct 87 pp 2, 3

[Editorial: "The Achievements of Reform Are Brilliant, and Its Prospects Are Magnificent"]

[Excerpts] The divine land has yielded fruitful achievements in the golden autumn season, and millions of people are raising their heads to look toward Beijing. The 13th National CPC Congress, which has attracted worldwide attention, ceremoniously opened in Beijing today. This is a major event of historical significance in the political life of our country, and also a great happy event that all party members and people of various nationalities throughout the country have looked forward to for a long time. Like the 40 million party members and millions of people throughout the country, the 3.6 million party members and 70 million people of our Shandong Province are extending the highest respect and warm congratulations to the 13th party congress with a feeling of immeasurable joy. [passage omitted]

The 9 years of reform have left clear footprints in the vast territory of the motherland, and aroused great waves in the hearts of 1 billion people. The 9 years have become the most brilliant page in the annals of the PRC, and a period we are proud of. The 3d Plenary Session of the 11th Party Central Committee issued a call for "emancipating the mind, seeking truth from facts, uniting as one, and looking forward," established anew the party's ideological line of seeking truth from facts, and shifted the work focus of the entire party to the socialist modernization drive, thus pushing China to a new period of vigorous development. During the 9 years, our party formulated a series of principles and policies for reform and opening up, which are compatible with the situation of our country, and greatly aroused the initiative of the masses of party members, cadres and people in developing socialist modernization in this way. We can say that reform is the golden key for arousing the people's potential enthusiasm for socialism, for fully developing the superiority of the socialist system, and for our country, a county with a long history of civilization, to soar to great heights and catch up with the world advanced levels. Likewise, the golden key of reform has also enabled the vast area of Shandong with a long history to regain its vigor. Since the 3d Plenary Session of the 11th Party Central Committee, the provincial party committee and government have conscientiously upheld the four cardinal principles, actively implemented the party Central Committee's general principle of reform and opening up, formulated several policy measures for promoting economic prosperity and social development, and for building the spiritual civilization in line with the actual conditions of Shandong, and have

thus achieved encouraging results. The growth rate of the national economy has increased, the relations among the major sectors of the economy have become more rational, economic results have improved every year, and a good trend of sustained, stable, and coordinated development of the national economy has continued. In 1986, the total social product of the province showed an increase of 140.5 percent over 1978, ranking among the best in the country. After enabling its people to basically have sufficient food and clothing, the province achieved a breakthrough in helping the Yimeng mountainous area to eliminate poverty and achieve affluence, achieved a new development and created a new look in the plains of northern and western Shandong, and enabled eastern Shandong to become prosperous ahead of others and march toward a comparatively well-off level. Key construction projects, such as the Yanzhou-Shijiusuo railway, the Shijiu harbor, the Huang He bridge, the Xinglong coal mine, the Zouxian power plant, the Qingdao wharves, the Yantai and Huangdao economic development zones, and the Qilu 300,000-ton ethylene projects, have colorfully decorated the vast area of Shandong like shining pearls. The outlook of urban and rural areas is changing every day, and the people's standard of living has improved notably. Compared with 1978, the province's total volume of commodity retail sales increased by 200 percent in 1986, and its per capita consumption level by 251.56 yuan. In short, reform has yielded great achievements in the vast area of Shandong, and brought tremendous benefits to the people. There is no doubt that the 9 years of reform have yielded material results. However, its spiritual results are all the more immeasurable. Rigid and outmoded systems incompatible with the development of productive forces and the modernization drive have been, are being, or will be eliminated. The mental attitude of being content with poverty, being conservative and letting things take their own course, sticking to old ways, and not pursuing progress is gradually losing the social material conditions that it relies on for existence. New ideas, such as seeking truth from facts, braving the way forward, seeking actual results, carrying out active competition, and paying attention to explorations, are twinkling brightly like big stars over the sky. Concepts on opening up, markets, value, and time, which suit the needs for developing the commodity economy, have also mushroomed, and been adopted by the people. At the same time, the political situation of stability and unity is being continuously consolidated, democracy and the legal system are being gradually improved, and the socialist spiritual civilization is yielding results everywhere. These profound changes have effectively facilitated profound changes in the character, mentality, quality, and outlook of our nation, brought about a new liberation to the spirit of our nation, and thus became a power force pushing the deepening and acceleration of reform. [passage omitted]

The achievements of reform are brilliant, and its prospects are bright. However, we should note that reform is like a boat sailing against the current, which must forge ahead or it will be driven back. If our nation does not

carry out reform it will have no way out and no hope, and will return to our old ways, continue to lag behind, and eventually be expelled from the world. We have no other choice but to continue and deepen reform. To carry out reform, we should withstand the tests of drawbacks and difficulties, and should bear certain risks. Because of the protractedness, arduousness, and complexity of reform our generation as well as several generations to come will be in a difficult pioneering period. Only when we are determined to foster a spirit of plain living and arduous struggle, arouse ourselves for vigorous efforts to make the country prosperous, and maintain the revolutionary and pioneering spirit can we make ourselves stand in the world. In the entire process of reform, at no moment can we abandon the spirit of plain living and arduous struggle, the spirit of devotion, and the spirit of taking the overall situation into account. The idea that benefits can be obtained in the course of reform easily without devoting diligent labor and paying any price are unrealistic and a misunderstanding about reform, and will hinder the progress of reform.

The 3d Plenary Session of the 11th Party Central Committee brought about brilliant achievements in reform. The convocation of the 13th Party Congress opens up even brighter prospects for deepening the reform. While hailing the successful convocation of the 13th Party Congress, let us conscientiously study its documents, arouse our spirit, work together, take the four modernizations as our own tasks, share weal and woe with reform, plunge into and promote reform with greater enthusiasm, and usher in a more beautiful tomorrow with outstanding achievements in making the people and Shandong Province prosperous.

Central-South Region

Daya Bay Nuclear Plant Construction To Resume
HK050219 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 0706 GMT 3 Nov 87

[Text] Shenzhen, 3 Nov (ZHONGGUO TONGXUN SHE)—Construction of the nuclear power station in Daya Bay has been halted for almost 50 days for examination and improvement since the discovery of missing reinforcing bars in the No 1 reactor foundation raft. The Guangdong Nuclear Power Joint Venture Company decided to place connecting bars in the reactor's second layer as a remedy for the omission of reinforcing bars in the first layer; to implement some technical measures to reinforce the steel bars in the second layer; and to review the contractor's preparation work for resumption of construction. The company announced today that the Daya Bay nuclear power station reactor's foundation construction project would be resumed within the next few days.

Today, while briefing engineers, journalists, and people from Hong Kong scientific and technological fields, Zan Yunlong, general manager of the Guangdong Nuclear Power Joint Venture Company gave an all-round and

systematic explanation about the discovery that steel bars were missing from the reactor's foundation, the decision on the methods of handling the case, the measures for improvement to be implemented, and the preparation work prior to resumption of construction.

Zan Yunlong said: The Guangdong Nuclear Power Joint Venture Company has gone through three stages in handling this "non-conformist" project.

The first stage, 9 to 29 September, was for investigation of the situation. Work done within this period included: thoroughly investigating the non-conformity situation; drawing up plans and procedures to handle the case; and reporting the situation to the Board of Directors of the joint venture company, senior management departments, and China's National Nuclear Safety Administration.

The second stage, 30 September to 9 October, was for the study and setting up of technological methods to handle the case.

During this period the nuclear power station designer—Electricite de France (EdF) suggested some technological methods to deal with the case. After the general manager of the joint venture company studied and agreed to apply the methods suggested, they sent the report to the joint venture company executive committee. After the committee studied the report they agreed in principle with the methods suggested, and progressed preparation work accordingly.

The third stage, 9 October to 31 October, saw the completion of preparatory work prior to resumption of construction which included the following:

1. Correct placement of the reinforcing bars in the first layer has been verified.
2. Technological remedial measures suggested by EdF have been verified by the joint venture company engineering department and a high-level EdF department who will bear responsibility for the decision.
3. The technological remedial measures were approved by China's National Nuclear Safety Administration.
4. A sufficiency of evidence has demonstrated that the contractors are capable of resuming work, with improvements in effective quality assurance and control. They have started to implement temporary plans for improving quality assurance and control.
5. Evidence has also demonstrated that the joint venture company is capable of supervising the contractors and deciding whether their work will meet the quality requirements. That is, the joint venture company can carry out overall surveillance of the remedial plan.

Zan Yunlong said that according to the development of the preparations for resuming construction, the joint venture company held that when the five conditions for resuming construction had been achieved and found satisfactory they could proceed with pouring concrete, beginning with pouring concrete in the No 1 reactor foundation raft. The contractors sent a letter to the joint venture company on 29 October 1987 demanding resumption of construction. In conclusion Zan Yunlong said: The Daya Bay nuclear power station is the first large scale nuclear power station built by China. It is also the first Sino-French cooperation to build a large scale nuclear power station. For such large construction, regardless of the difficulties and problems encountered, we insist on the principle of "safety and quality first," determining facts scientifically. The parties involved in the joint venture, local and foreign experts and technological personnel, should cooperate to make a good job of building the nuclear power station to ease the minds of all our friends.

Guangdong Requires Vehicle Entry, Exit Sign
HK050215 Hong Kong ZHONGGUO XINWEN SHE
in Chinese 1236 GMT 3 Nov 87

[Text] Guangzhou, 3 Nov (ZHONGGUO XINWEN SHE)—According to reports from the Guangdong Provincial Public Security Department, from 1 January 1988 all vehicles with Hong Kong or Macao license plates entering or leaving Guangdong and all vehicles of departments of the hinterland entering or leaving Hong Kong or Macao must bear new signs when they are driven outside the Shenzhen Special Zone and the Zhuhai urban area. Otherwise, they will encounter trouble.

According to an official of the Guangdong Provincial Public Security Department, vehicles entering or leaving Guangdong at Gongbei must bear driving signs with the character "ao" [3421], while those entering or leaving Guangdong at Wanjindu and Shatoujiao must bear driving signs with the character "gang" [3263]. Beginning 1 January 1988, the frontier inspection stations will not handle exit or entry formalities for vehicles not bearing a new sign. Punishment concerning vehicles from Hong Kong and Macao without a new sign, going beyond bounds (or going outside Guangdong), not going through formalities in due time, with illegally changed or altered licenses or certificates, with licenses for other vehicles, or having violated traffic or vehicle control regulations shall be meted out according to relevant rules and regulations once discovered by traffic police companies or battalions.

Hunan Secretary Stresses Congress Spirit
HK050303 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 5 Nov 87

[Text] According to *Hunan Ribao*, on 3 November, the day after the conclusion of the 1st Plenary Session of the 13th CPC Central Committee, the Hunan delegation to the 13th Party Congress studied the question of how to

relay and implement the spirit of the congress. Provincial party committee Secretary Mao Zhiyong spoke at the meeting. He stressed that, in accordance with the demands of the central authorities, it is essential to regard study and publicity of the 13th Party Congress documents as the current top-priority task and to get a thoroughly good grasp of it.

Mao Zhiyong said: The 13th Party Congress was a congress of democracy, unity, and opening up. It was a congress that has comprehensively stimulated the great cause of reform and construction. It was a congress that will make our party still more vigorous and lively. It was a congress that mobilized the whole party and the people of the whole country to continue to advance along the road of building socialism with Chinese characteristics. The most important result and gain of this congress and of the 1st Plenary Session of the 13th CPC Central Committee that immediately followed it were that they ensured politically, organizationally, and theoretically the long-term and steady continuation of the line since the 3d Plenary Session of the 11th CPC Central Committee. This marks a new milestone in our party's history and a new starting point for advancing toward still greater victories.

On returning to their posts, the congress delegates must focus on organizing the cadres and masses, especially the cadres at and above county and regimental level, to seriously study the 13th Party Congress documents. We must organize the cadres and masses to seriously study the congress report. We must use all propaganda media to vigorously publicize the spirit of the congress, and carry out universal and penetrating education in the basic line of building socialism with Chinese characteristics. We must mobilize the party members and masses to strive together to fulfill all the tasks proposed by the congress.

In organizing study, we must set different demands according to different levels and spheres. We should carry out consultative and dialogue activities in conjunction with study. The leading cadres at all levels and propaganda and theory cadres should go among the masses to hold study and discussions with them, so as to deepen together everyone's understanding of the 13th Party Congress spirit.

Mao Zhiyong pointed out that in organizing study, we should not only grasp the spirit of the congress as an entity but also deepen our understanding of each part, section, and sentence. We should focus on the theory on the initial stage of socialism, on the party's basic line, and on reform, which are the main topics.

Mao Zhiyong said that in relaying and implementing the 13th Party Congress spirit, we must speed up and deepen the reforms and make a success of our future work. At present, the important thing is to emancipate our minds through studying the 13th Party Congress documents.

enhance and unify the cadres' and masses' understanding of reform, and strengthen their sense of urgency for speeding up and deepening the reforms. We must vigorously publicize the importance and necessity of political structural reform, to enhance the ideological understanding of the leaders at all levels and the cadres. We must continue to promote the contracted management responsibility system and the plant manager responsibility system, continue to stabilize prices, and consolidate and expand the fruits of reform.

There is not much left of this year. It is essential to get a really good grasp of economic work without the slightest relaxation. At the same time, we must pay great attention to preserving the political situation of stability and unity, to ensure an excellent social climate for implementing the 13th Party Congress spirit.

Southwest Region

Xizang Delegation Denounces Separatists
OW020837 Beijing XINHUA Domestic Service
in Chinese 0136 GMT 31 Oct 87

[Report by XINHUA reporters Zhang Wanxiang and Zheng Qingdong: "The Tibetan People's Aspirations"]

[Excerpts] Beijing, 31 Oct (XINHUA)—They come from the motherland. They come from the "roof of the world."

The 20-member Xizang delegation to the 13th National Party Congress brings here the cherished desire of the people on the plateau and represents the will of all party members in Xizang.

The small delegation has been the focus of attention at the congress. People can see in them the style and features of Xizang Communists; and from them people can hear the Tibetan people's wishes. [passage omitted]

At group discussions, the delegates made speeches one after another, talking freely about the changes in Xizang over the past 8 years. They warmly praised the party's policy of reform and opening to the outside world, which has led Xizang to the road of prosperity and happiness. Bai Zhao, representative of the Tibetan nationality and secretary of the Xigaze prefectural party committee, and Ba Sang, delegate and deputy secretary of the Xizang Autonomous Region, said: Today's Xizang was born out of a society of feudal serfdom. What is worse, Xizang was liberated later than the country as a whole. Proceeding from Xizang's reality, the party Central Committee formulated a series of special, flexible policies suited to Xizang. As a result, very remarkable benefits have been obtained. The Tibetan people are very grateful to the party Central Committee.

Doje Cering, chairman of the Xizang Autonomous Region, and others cited a series of convincing statistical figures. Since 1952, the central authorities have given

Xizang financial subsidies totalling more than 10 billion yuan. Compared to 1980, 1986 saw a 130 percent increase in Xizang's national income, an increase of average per capita income by 113 percent, and an increase of average per peasant or herdsman's income by 84.9 percent. In 1986 over 30,000 foreign tourists were received. The delegates drew from these figures a common conclusion: Xizang's tremendous changes are the results of reform and opening to the outside world, as well as the results of strong support extended by the central authorities and the fraternal provinces and cities. Xizang is an inalienable part of the great family of the motherland. [passage omitted]

The delegates condemned a few separatists' crimes one after another. They said: Not long ago, the riot incited by a very small group of separatists in Lhasa was planned entirely and deliberately by the Dalkai clique and a handful of his followers. Their purpose was to sabotage Xizang's stable and united political situation and the friendly relations between the nationalities. Splitting Xizang from the great family of the motherland completely deviates from the cherished desire of all people in Xizang, particularly people of the Tibetan nationality. [passage omitted]

Northwest Region

Shaanxi Official on Party Discipline, Style
HK050113 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 4 Nov 87

[Dispatch from station correspondent (Li Xinfeng) in Beijing: "Our Party's Discipline Inspection Work Must Support Reform"]

[Text] During the 13th National Party Congress this correspondent interviewed Comrade Li Huanzheng, commissioner of Yulin Prefecture and newly elected member of the Central Discipline Inspection Commission. The 51-year-old Li Huanzheng has been working in Yulin Prefecture for 35 years. This correspondent first asked him about his views on our party building and party style. Li Huanzheng said: Reform, opening up, and invigoration will inevitably raise new questions for discussion on party building. This means that we must strictly manage party affairs, promote party building, and enable our party to stand the tests of reform and opening up. The aim of our promotion of party building is to do a still better job in exercising leadership over reform and construction and in bringing about successful promotion of reform. Exercising leadership over reform and construction and bringing about successful promotion of reform are intertwined. Under the new historical conditions I think that an important factor in passing judgment on the political quality of a party member is to see whether the party member promotes reform. I think that the following types of party members behave well in small matters but behave badly in showing their political

integrity: Those party members with good work style who are not active and enthusiastic in promoting reform or who simply pay no attention to reform.

In answering this correspondent's question about new demands made by party building on party cadres engaged in discipline inspection work, Li Huanzheng said: To rectify party style, party cadres engaged in discipline inspection work must first adopt new ideas, care for and support reform, and throw themselves into the mighty torrent of reform. They must not be onlookers watching our reform. Comrade Zhao Ziyang said in

his report: The fundamental task of socialism is to develop productive forces. All types of work, including our party discipline inspection, must regard the promotion of the development of productive forces as the starting point.

Li Huanzheng added: The 13th National Party Congress has clearly shown the orientation of the party's discipline inspection for cadres engaged in discipline inspection work. The role played by discipline inspection work in promoting reform and opening up will be further enhanced.

Restraints Imposed on U.S. Exports

HK050858 Hong Kong AFP in English 0823 GMT
5 Nov 87

[Text] Taipei, Nov (AFP)—Taiwan manufacturers would be forced to restrain exports to the United States to reduce Taiwan's trade surplus and ease threats of U.S. protectionism, Board of Foreign Trade director Vincent Siew said Thursday.

Mr Siew said the board proposed strict monitoring of local traders, making sure their sales to the United States in 1988 would not exceed this year's levels so as not to worsen the trade gap.

Washington is expected to suffer a deficit of 16 billion U.S. dollars in its trade with Taiwan in 1987, up from last year's 13.6 billion U.S. dollars. This is despite consistent pressure on Taiwan to widen its domestic market to more U.S. goods and services and for greater appreciation of the local currency.

The value of the Taiwan dollar has risen 30 percent since July 1986 at Washington's demand, severely weakening the competitiveness of local goods.

Mr Siew said that exporters of low-profit goods would be especially asked to control sales and that traders who sell to the United States would be urged to buy from it to ease the imbalance.

In a report on impact of the currency readjustment, board officials urged Taipei to withdraw foreign exchange reserves from U.S. banks and abandon Taiwan's Generalized System of Preferences to counter protectionist threats.

Most of Taiwan's reserves, which amounted to a record 70 billion dollars at the end of October, are deposited in U.S. banks.

Despite the revaluation of the local currency, exports to the United States are still growing—but at a slower pace. Some 17.7 billion dollars worth of goods were shipped to the United States in the first nine months of 1987, a 28.6 percent rise over the same period of last year.

In a bid to balance bilateral trade, authorities are planning to lower the annual growth in exports to the United States from an average of 30 percent to 15 percent in the five years beginning 1988. They also plan to boost imports, pushing the annual growth rate to 30 percent growth from 15 percent.

Authorities are also designing strategies to diversify Taiwan's export market, aiming to cut the proportion of exports to the United States from the current 45 percent to 33 percent in the five-year period.

More liberalizations involving trade with East European countries and China via transshipment in Hong Kong and other points are to be made to achieve this end, they said.

The value of the Taiwan dollar stood at 29.95 against the U.S. unit Thursday, a one-cent appreciation over the previous day. The central bank bought 455 million U.S. dollars, 81 percent of total turnover, to stop the local currency from rising speculative buying. [as received]

Call for Taiwan Dollar Revaluation Countered

OW041149 Taipei CNA in English 1025 GMT
4 Nov 87

[Text] Taipei, Nov. 4 (CNA)—The government may choose to turn from a defensive to an offensive posture on the U.S. demand to re-evaluate its currency, informed sources said Wednesday.

One of the ways to do this would be to withdraw all ROC [Republic of China] deposits of its foreign exchange reserves in the United States, which would not only be able to counter the U.S. pressure for the NT [new Taiwan] dollar's further appreciation, but also pacify the boiling public opinion on the issue, the sources said.

According to the sources, this is a suggestion made by the Board of Foreign Trade [BOFT] to the Ministry of Economic Affairs on how to deal with U.S. demands on appreciating the NT dollar.

The sources pointed out that up to now, the ROC Government has bowed to every U.S. demand. But coordinating every move with the United States will only benefit third countries who pick up export orders that the Republic of China becomes incapable of filling due to inflated costs because of appreciation.

The BOFT therefore suggested the government give up its privileges in the Generalized System of Preferences [GSP] if the United States makes such demands. Since GSP and NT appreciation are interchangeable issues, voluntary graduation from GSP would lessen U.S. pressure for NT appreciation. The damage of the former would be much less than the latter.

If the United States should choose unilaterally to reduce ROC import quotas or demand the ROC institute across-the-board restraint on exports, the ROC could then postpone its policy of buying in the U.S. and give up the control on the procurement of bulk commodities.

The government until now has played a major role in the country's bulk commodity procurement by collecting private demands and making unified orders, mostly in the United States.

Developing Relations With Mainland Viewed
HK050737 Hong Kong SOUTH CHINA MORNING POST in English 5 Nov 87 p 35

[By David Bonavia: "First Steps to a Union Still Far Off"]

[Text] With television sets and washing machines, the first official visitors to China from the island of Taiwan have crossed the Hong Kong border—a little nervously—into their erstwhile homeland, for unprecedented, sanctioned visits to relatives, and sightseeing.

To the misgivings of some Chinese officials who are wary of letting them see the backwardness and poverty of the People's Republic compared with prosperous Taiwan, the visitors were given every sign of welcome, including generous duty-free allowances on their presents for relatives.

Only people born in the mainland and not serving in the Taiwan armed forces or government have been allowed by Taipei to go. Nonetheless, the visit of these first few score of people marks a tremendous leap forward in the island's relations with the mainland, though there is still a frosty atmosphere between the Communist Party and the Kuomintang [KMT], which was forced to retreat to Taiwan at the end of the Chinese civil war in 1945, leaving the mainland to communist rule.

Since then, and particularly in recent years, there have been quite a few visitors from Taiwan to the mainland via Hong Kong, but only in secret, for fear of prosecution when they return to the island.

Beijing has appealed to Taipei not to use the returned visitors for political purposes or subject them to interrogation about conditions on the mainland.

Every stop is being pulled out to give the exiles a good time with special cars and hotel rooms, banquets and excursions. Mr Zhao Ziyang, the new Communist Party leader, has shown himself sensitive to the fact that many parts of China will look run-down and poor to Taiwanese. He has advised them to take into consideration the tremendous difficulties China has had to overcome since 1949, and the amount that has been done despite this.

The natural patriotism of the Chinese, and the sentimental feelings of most people seeing their birthplace and meeting relatives after nearly four decades, should make the reunions tearful affairs.

Taiwan has not so far reciprocated by inviting mainland residents to come and meet their relatives who left there in 1949. One reason may be that so many of the relatives are past or present military men or Government servants and thought security-sensitive.

Even in the relatively liberal political climate prevailing in Taiwan since the lifting of Martial Law early this year, security still takes a high priority for the authorities there, and the Garrison Command is still influential.

It was in 1972 that the late Marshal Ye Jianying made his historic proposal for a reconciliation with Taiwan. If the island state would only agree to merge its sovereignty with that of the mainland, adopting the five-star red flag of the communists, their national emblem and their national anthem, it could have any freedom it wanted.

Marshal Ye promised economic and cultural liberty to the KMT-ruled island, and a new era of "co-operation" with the Communist Party (the past periods of "co-operation" lasting from 1921-27 and from 1937-45 respectively, both ended in a debacle and mutual slaughter.)

Ye even vowed that Taiwan could keep its own armed forces in a new union with Beijing, something people there found hard to credit.

In retrospect, the old war-hero's offer to Taiwan is seen to have come as a prelude to the similar generous offer to Hong Kong and Macao to be reabsorbed into the political framework of the People's Republic while maintaining their free capitalist economies and cultural freedoms.

In the current negotiations with Beijing, Hong Kong is fighting to retain its political freedoms or create new ones with an eye to 1997, but there is still a degree of optimism.

The example of Chinese sweet reasonableness over Taiwan, however, was obscured by the recent rioting in Lhasa, capital of Tibet, which is supposed to be an "autonomous region" but where the Chinese rulers are hated by the local people.

There is clearly scope for increased direct trade across the Taiwan Strait, Taiwan needing raw materials and China needing semi-finished electronic parts and other goods to feed its fledgling modern assembly industries.

Taiwan experts could also in time do what Hong Kong experts are doing now—advising mainland officials on a host of topics such as hotel-operation, fashion, marketing and tourism.

A better Beijing-Taipei relationship will also be very welcome in Washington, where the continued commitment to sell advanced arms, especially high performance military jets, to the KMT Air Force, is a continuing embarrassment in its relations with Beijing, which the latter does not hesitate to take advantage of when it wishes.

Improved practical links are one thing. But the idea of even a loose form of federation with the mainland is far ahead of the thinking of President Chiang Ching-kuo.

son of the late Generalissimo Chiang Kai-shek, let alone the KMT "old guard" who still exercise strong influence in the legislative. For another thing, the army would never stand for it.

And yet a form of Taiwan independence—such as it in practice already enjoys—may eventually prove the only form of humane settlement. Still in Taiwan you can go to jail for calling for an independent republic there—you could equally go to jail for demanding it in the mainland.

But there are still dreamers, mostly exiles now, who believe this is the only way out for their country.

It must be remembered that Taiwan was neglected by the mainland for centuries, developed by the Japanese from 1895 till 1945, and has little knowledge or experience of

real conditions on the mainland. Having been brain-washed for so long into believing the mainland a hell incarnate, it is not so easy to make people change their minds now.

Their prosperity was originally built on U.S. aid (until 20 years ago), but now it is a result of their own hard work and Japanese investment. The island is becoming a respectable originator of technology as well as an imitator.

Because of changes on the mainland since the 13th Party Congress, there may be some slight growing together of the Taiwan and mainland social and economic system, and they are all, in the last analysis, Chinese.

But it will be a long time before this is translated—if ever—into genuine union.

Hong Kong

Highlights of Green Paper Survey Report

HK050607 Hong Kong SOUTH CHINA MORNING
POST in English 5 Nov 87 p 1

[Text] A clear majority of the people of Hong Kong do not favour direct elections to the Legislative Council next year, even though most people support universal franchise in principle.

This was the most significant finding contained in the report brought down yesterday by the Government's Independent Survey Office, after four months of public consideration of the Green Paper on political reforms.

The results of the survey, which must now be interpreted by the Governor and his advisers, almost certainly means the introduction of any additionally directly elected members of the Legislative Council will be put off, at least until 1990.

The findings which will have most impact on Hong Kong's future political development include:

—More than half of those who back direct elections in spirit say full democracy should come after the promulgation of the Basic Law.

—Most people want the Governor to remain as the president of the Legislative Council because his stewardship ensures continuity stability and efficiency of government.

—The majority say they want the same number of official members retained in the Legislative Council while a few believe it should be increased.

—The same sentiment is extended to appointed members because it is believed that the appointed members can led the assembly experience and expertise.

—Most respondents do not favour changing the present three-tier administrative system, although some propose expanding the advisory role of the district board members.

—People do not favour lowering the voting age from 21 because they believe the level of civic education is low and that young people are not mature enough to vote sensibly.

No Majority for 1988 Elections

HK050433 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1009 GMT 4 Nov 87

[Text] Hong Kong, 4 Nov (ZHONGGUO TONGXUN SHE)—The Hong Kong Government Independent Survey Office today issued the report on the survey of the

1987 Green Paper Review of Developments in Representative Government. Instead of giving specific conclusions for each question, the report outlines various opinions. The report points out: Among the issues included in the Green Paper the most controversial one is whether or not the Legislative Council should introduce direct elections. In debates in the Legislative Council, Urban Council, Regional Council, and district boards, or in survey reports from official meetings, organizations, community groups, and individuals, nearly 50 percent of the people support, or do not oppose, direct elections in principle, but not in 1988. Apart from this, one-fourth of the people that answered the survey support, or do not oppose, direct elections in 1988. Another one-sixth of those surveyed point out explicitly that direct elections should not be held in 1988.

About 80 percent are of the opinion that the chairmanship of the Legislative Council should remain unchanged. That is, that the governor should continue as Legislative Council chairman.

On the issue of the inter-relationship of developments in representative government and the Basic Law draft, over 98 percent of general opinion held that developments in representative government are in accord with the spirit of the Sino-British Joint Declaration and can converge with the Basic Law.

The Survey Office received a total of 134,656 survey reports. Responses which were overdue, irrelevant to the Green Paper, repeated, or submitted under others' names were disqualified. The number of valid reports totalled 131,589. Of these, 125,816 were from individuals, 4,661 were jointly signed, and 1,112 were from organizations, community groups, and other entities.

Report Triggers Outcry

HK041258 Hong Kong AFP in English 1157 GMT
4 Nov 87

[By Claudia Mo]

[Text] Hong Kong, Nov 4 (AFP)—The release Wednesday of a government survey report on political reforms in this British colony before China's scheduled takeover in 1997 triggered an outcry among local legislators and critics.

A group of legislative councillors headed by outspoken Martin Lee dismissed the report as "meaningless and a waste of time." The controversial report was based on views expressed by the public during a four-month opinion-gathering exercise on how pre-1997 Hong Kong could develop a more representative administration.

The opinions were expressed in response to various options contained in a government consultative paper, called the Green Paper, released in May.

At issue is whether or not direct elections should be introduced in 1988 to the local legislature, whose members are currently hand-picked by the colonial administration or indirectly elected through functional constituencies.

The introduction of direct elections has been criticised publicly and repeatedly by senior Chinese officials, including top leader Deng Xiaoping, who are apparently afraid Hong Kong might enjoy too much democracy by the time the territory reverts to Chinese rule, observers said.

According to Wednesday's three-part survey report, as thick as two telephone directories, the clear majority of Hong Kong people who responded to the call for opinions favour direct elections—but not in 1988.

More than 125,800 submissions from organisations and individuals were received, with about 78 per cent supporting direct elections in principle. Only 28 per cent favour direct elections for next year.

The figures were substantially higher than those of a separate opinion poll commissioned by the government which also appeared in the report. That poll showed only 40 per cent of Hong Kong people liked the idea of direct elections, with a mere 19 per cent favouring their introduction in 1988.

Critics also charged that the report appeared deliberately to tone down the fact that more than 200,000 people had joined a pro-direct election signature campaign organised by local pressure groups in September.

"I can't help feeling that the government has deliberately made the report confusing so as to scare off the man-in-the-street," one political critic said.

The group of legislators headed by Mr. Lee Wednesday urged the government to stage a referendum on the election issue.

Speaking at a press conference earlier Wednesday, the government's Deputy Chief Secretary John Chan said "the government has (previously) decided that a referendum would not be an appropriate way of proceeding this particular exercise." [as received]

Mr. Chan added that "there will be no fixed criteria" on how the government was going to assess the survey report, which was to shape the administration's policy paper on political reforms scheduled to be published in early 1988.

He added that Hong Kong Governor Sir David Wilson would visit Beijing later this month to discuss with Chinese leaders this issue which has prompted Hong Kong's hottest political debate in recent months.

Hong Kong's pro-direct election lobby has been headed by legislator Mr. Lee, with his opponents largely coming from the financial sector here featuring such top businessman as the chairman of Hong Kong Stock Exchange, Ronald Li.

One opposition argument is that Hong Kong has prospered as a financial centre and any major, abrupt change to the political structure might rock the boat.

Report 'Misleading'

HK050729 Hong Kong SOUTH CHINA MORNING
POST in English 5 Nov 87pp 1, 8

["Analysis" by Ann Quon, Political Editor: "Magnifying Glass Needed To Interpret Polls"]

[Text] Now that the Survey Office report is out, the question is: Where do we go from here?

If the individual responses which make up the bulk of the submissions are any indication, the way ahead is clear enough. The community clearly finds the concept of direct elections agreeable, but is in no great rush to introduce them. Not next year, not even the following year.

Instead, Hong Kong has decided to play the waiting game until the Basic Law is ready. This will clearly please Beijing which has made it no secret that any changes introduced here could be aborted if they are out of step with the Basic Law.

It will also prevent the Government the embarrassment of having to confront Beijing. Without the majority support it would have needed to do so, Governor Sir David Wilson must be breathing easier knowing that his trip to the Chinese capital next month will be relatively trouble-free.

But before Beijing and its vanguard of local conservatives begin celebrating, it should be asked how representative these submissions were in reflecting the views of the community?

Professional analysts have already dismissed them as reflecting only the views of the vocal minority. Take, for example, the issue of direct elections, which pulled the most comment. Of the 125,833 submissions, 120,923 were from individuals. That alone represents about four per cent of the adult population in Hong Kong and there is no indication how representative these views actually were on a full-population basis.

What then of the silent majority? How have their views been taken into account?

According to the Survey Office report, they have been catered for in the Government's own commissioned polls conducted by the private polling firm, AGB McNair.

But instead of giving any clear indication of whether the silent majority supports direct elections, we are told only that 19 to 21 per cent don't want them in 1988.

This contrasts sharply with the results of other polls using the same methods which show at least twice as much support if not more.

Anyone looking for whether there is support in the Government-commissioned polls for direct elections next year could need a magnifying glass. That's because it's stir-fried into other options in a question about general changes to the Legislative Council.

No wonder the territory's strongest advocate for direct elections, Mr Martin Lee, is jumping up and down and accusing the Government of misleading the public.

He is already thinking about getting the AGB McNair people before the council's constitutional affairs panel to ask them how they framed their questions to this and other issues.

What is most shocking, even numbing, is that the issue of direct elections is a typical example of the kind of confused responses the pollsters appear to have received, with more than a third of the "silent majority" repeatedly returning responses of no opinion or even backing away from answering questions.

Nowhere are we told in the Survey Office report whether this alarmingly high rate of don't knows or no opinions was because they simply didn't understand the questions or the issues involved.

Professional statisticians say that the AGB McNair questions followed the options outlined in the Green Paper on political reform so doggedly that there was bound to be a high return of don't knows or no opinions.

The lack of simple questions to what should have been straightforward issues contrasted sharply with other privately commissioned polls, including several by this newspaper which showed that the public was prepared and willing to provide views on political changes.

The clear discrepancies between the Government's and independent polls show direct elections had a decisive edge. Why this was not reflected in the Government's own surveys remains to be answered.

As a result, suspicion must be running high that the Government and its own pollsters, rightly or wrongly, may have deliberately misled the public. With such inconclusive findings on this single most pressing issue, it is apparent that only a referendum would be able to satisfy the public on the electoral issue.

It must now be on the minds of Mr Lee and the prodemocrats that a plebescite should be held so that the results, conclusive or not, are at least, convincing.

Generally speaking, the Survey Office exercise may have shown that the general public lacked the kind of understanding about government to make any judgements on the Green Paper. For that matter, even the most sophisticated and politically aware of communities would probably have found the Green Paper hard work.

It would be a sad indictment indeed if the Government was not seen to be shooting straight with what is basically a trusting public.

The fairest way to address the issue of direct elections would have been and still is referendum. In one fell swoop, it would remove any doubts about the handling of political reform.

And it would also give the public a chance to answer simply and succinctly a question that neither the Green Paper nor the Survey Office report had the courage to ask. Direct elections: Yes or no?

Support for Survey Results

HK050717 Hong Kong SOUTH CHINA MORNING
POST in English 5 Nov 87 p34

[Editorial: "The People Have Spoken: Elections Must Wait"]

[Text] After five months of debate and controversy, the Green Paper review of developments in representative government has boiled down to the Survey Office report tabled yesterday. Whatever needs to be said about the Green Paper itself has been said, by liberals, leftists, conservatives, radicals, independents and eccentrics. It is without doubt the most comprehensive look not only at the political preferences of the Hong Kong people—or at least those who have chosen to respond—but also the public state of mind. A clear majority, 94,270 respondents of the 137,217 individuals, who have addressed the question of direct elections to the Legislative Council say they do not favour their introduction next year. Many argue prudently that they support the principle of universal franchise but after the ratification of the Basic Law by the Chinese national People's Congress in 1990.

The verdict is as direct and blunt as the rebuff of the pro-democrat activists. The process through which the results were garnered was free and voluntary, even if it is ironic that a democratic exercise was used to still, for the moment, the yearning for democracy. But society is made of anomalies. As the pro-democrats have always stressed the importance of respecting the wishes of the people, it is only proper that they now concede to the voice heard through the Survey Office report.

Critics may dismiss the submissions as non-representative of the silent majority who are either too apathetic or cynical to respond to the Green Paper. While that is true, the fact of life in any democracy is that only those who react can help deliver the sort of government they desire. In a free society those who choose not to participate will

forfeit their right and get the system they deserve. In Hong Kong between May 27 when the Green Paper was published and September 30 when the Survey Office closed its doors, people from all strata and backgrounds were given an ample opportunity to discuss politics as never before. Many did but many more did not. While the pressure groups mobilised and organised, preached and promoted their cause in a crash course at civic education, in the end the people reacted according to their instincts which proved to be conservative, not only on the direct elections to the Legislative Council topic but on such subjects as preserving the status quo in the district boards and the municipal councils.

The rejection of the pro-democratic call has been decisive, confirmed by the majority demand that the Governor remain the President of the Legislative Council, that more rather than fewer official members be kept in the assembly and that the voting age not be lowered. The arguments for maintaining the existing order with a few minor adjustments are also convincing—ranging from the insistence that the Legislative Council can only be efficient if it retains those who are experienced, whether they are bureaucrats or the Governor's appointees, to the emphasis that haste would make waste in the road towards universal franchise. These are indeed not the views of the articulate minority imbued with grandiose political theories to justify the apparently non-existent urgency for democratic change but those of ordinary citizens who believe it is better to go slow than to risk jeopardy to the basically smooth governing process and the fundamentally robust economy. These are the opinions of people who realise that they can wait for the Basic Law to be declared, not because they fear the backlash from Beijing but because three extra years might be needed to boost the dismal level of civic consciousness in Hong Kong.

Rather than to point out the myriad flaws in the Green Paper political review, for which the pro-democrats are prone, they should look at the whole exercise as a proof that, sincere and committed as they may be, they do not fully reflect the concerns of the public they claim to defend. Now, they must work harder over the next few years to participate in all kinds of elections, including the indirect variety to the legislature this September, as they prepare the cautious masses for a future when there will be more representative government in keeping with a key promise in the Joint Declaration. Far from a battle lost, the political review has been a lesson learned—for the opponents and proponents of direct ballot. Though the rival camps differ over the timing and scope of elections, they both espouse the belief that, ultimately, democracy is the answer for Hong Kong and that it be introduced in phases to and beyond 1997.

It is a fallacy to think that elections alone will lead to a truly representative and responsive Government or that they can somehow be a shield against mainland Chinese influence. Unless the Hong Kong people know and care enough about how they are administered, then elections

can only be a moot exercise involving no more than the act of depositing a slip of paper into a box. As a Survey Office report has disclosed, the public is also keen to see more stringent candidacy requirements imposed so that a political aspirant is worthy of office by the dint of his integrity, intelligence and interest in the well-being of all sectors of this diverse society. Everyone should avoid cackling and whining over the Survey Office report and get on with doing the ground-work in preparation for democracy. It is better to have a slowly evolving democratic system that works than to have one hastily hatched and flimsily founded that fails to provide the essential ingredients needed by an intelligent, sophisticated community for the preservation and extensive of their fundamental right to representation in the making of decisions that affect their lives.

Views on U.S. Protectionist Sentiment
HK050331 Hong Kong HONGKONG STANDARD
in English 5 Nov 87 p 6

[Editorial: "Protection...a One-Way Expressway to Economic Inferno?"—passage in italics as published]

[Text] *The failings of statesmen rarely arise from an inability to see what ought to be done. They arise from the fact that in politics action is often impossible without some degree of positive support, perhaps even enthusiasm.*

Former U.S. President John F. Kennedy, when he wrote the above words in his 1956 Pulitzer Prize-winning book, *Profiles In Courage* was saying, in other words, that statesmen who lack political courage will probably pursue a popular, vote-winning course of action even though they know it is wrong.

The most obvious and topical case is that of the choice between free trade and protection. It is generally agreed that trade barriers came into being long before the 19th century repeal of Britain's Corn Laws, which by placing a duty on imports of wheat, protected British farmers from foreign competition. But it is also generally agreed that the weight of sentiment in favour of industrial protection has been increased by the advent of universal suffrage: job security is now the main concern of most voters in the importing countries. Trade unions are bound to be basically protectionist where their own members' jobs are concerned. It is not a matter for wonder that the new strength of protectionism in the United States, for instance, is concentrated among members of the Democratic Party, one-time champions of free trade, since it is in their ranks that trade union influences are strongest.

Leading Democrats, like Congressman Richard A. Gephardt of Missouri, are convinced that what they see as the Reagan administration's failure to pursue an aggressive trade policy can be a cutting political issue in regions where workers have lost their jobs because of

foreign imports. Mr Gephardt sponsored a recent controversial amendment in the House of Representatives which would require sanctions against countries which maintain large trade surpluses with the United States.

It comes as a relief, however, to learn that not all members of Mr Gephardt's party are in favour of trade barriers. Take Mr Melvin A. Steinberg, for example. Mr Steinberg, who currently is visiting Hong Kong, is the elected Lieutenant Governor of the State of Maryland. He is also a Democrat. But he made it clear in an interview with the *Standard's* Jane Camens in yesterday's *Wednesday Extra* that he will have no truck with protectionism.

Mr Steinberg contends that the most effective way to fight protectionism abroad and sway the pendulum away from similar conservatism at home is not through punitive action but active support for governments practising free trade. "Protectionism is a normal human reaction that's no different to any other type of confrontation," he said. "If someone strikes at you, you tend to strike back. If someone sets up barriers to you, you react. What worries me is that in the short term the result of trade restrictions can seem positive, but in the long run they are detrimental to everyone."

You don't have to remember the devastating effects of the protectionist, "beggar-thy-neighbour" policies of the inter-war years to know perfectly well that the weight of economic opinion as well as the lessons of experience teach us that free trade, stable currencies and internationally managed institutions of credit are essential to our well-being. And what is true for periods of economic expansion must be equally if not more true in times of recession.

The fact of the matter is that protectionism always goes on too long. This means that the protected industry becomes inefficient. This, in turn, means that the consumer ends up paying much higher prices domestically for inferior products. Export markets, meanwhile, become increasingly difficult to penetrate because the products are too expensive and/or obsolete.

The most obvious and standard reason for the attractions of the protectionist appeal is the undeniable fact that in the short run, free or freer trade while bringing immediate benefits to a majority when prices to consumers are lowered, is likely to bring at least temporary hardship to a minority. There is bound to be a lag between the loss of jobs to external competitors and the substitution of employment in new industries or other occupations. People may well feel that by the time the balance is redressed, as historically it always has been, they and their families will have lost out.

It is clearly not easy for politicians in office to stand outside the factory gates where the redundancy notices have been handed out, and proclaim that the invisible hand that hath taken will also give. That's why some countries whose domestic markets are inundated with foreign commodities are reverting to protectionist sentiment and tactics. Yet it is a strategy that may well prove to be—in the words of U.S. House Republican leader Robert Michel—a "one-way expressway to economic inferno for American workers."

In the meantime, it is good to hear that there is at least one member of America's Democratic Party—Mr Steinberg—who is prepared to swim against the protectionist tide. We only hope that others will follow suit.

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